

# The NATIONAL UNDERWRITER



RIGHT TO A SECRET BALLOT... In 1855 New York City's Mayor Wood feared that righteous groups would prevent his re-election. With the aid of hired ruffians and the assistance of corrupt members of the police force, many honest citizens were attacked and severely beaten as they went to the polls. Public indignation

was so aroused at this abuse of democratic rights that Wood was put out of office.

*Our strict adherence to the principles of democracy has gained the confidence of the Agents of America, of which we have a great appreciation.*



**CRUM & FORSTER**  
MANAGER



110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO. . . . .	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch . . . . .	Incorporated 1851
THE NORTH RIVER INSURANCE CO. . . . .	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO. . . . .	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . . . .	Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh . Organized 1868

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • VIRGINIA-CAROLINAS DEPT., DURHAM, N. C.

**THURSDAY, JANUARY 11, 1951**

1851  
1951

We have  
*Second and Third Generation*  
descendants . . .

among our agents. And, the very fact that these descendants of our original agency founders represent us, of their own volition, is highly flattering to us. There's plenty of truth to "You can't choose your relatives, but you can choose your friends." And, to our way of thinking, our agents are our best friends.

When the Royal Insurance Company, Ltd. began operations in the United States in 1851 — six years after its organization in Liverpool, England — who could vouchsafe what success it would make, how long it would be in business and what great good it would do through reimbursement of claims yet unforeseen? All that was definite was that several prominent New York businessmen formed what was then styled the Board of Management or Advisory Committee, and that one by one agencies were established, first in the principal cities — then towns and villages — of the United States.

Fair dealing, good service, prompt and equitable loss settlements, facilities for writing and servicing an agent's business at home and abroad — yes, these and many more PLUS qualities must have held the descendants of original agency founders fast in our century-fold of mutually satisfactory dealings. And, may we say that we hope future generations will continue to feel the same way.

1851

100th ANNIVERSARY



IN THE UNITED STATES

1951

A MEMBER COMPANY OF

**ROYAL-LIVERPOOL INSURANCE GROUP**

150 WILLIAM STREET, NEW YORK 8, N. Y.



## Free Unearned Premium Cover Move May Spread

**S.E.U.A. Clause Provides Reinstatement or Refund Without Charge**

ATLANTA—The necessity for unearned premium insurance has been abolished in Georgia, Alabama, South Carolina and Florida by authorization of a new clause providing at the option of the insurer either for automatic reinstatement of losses or for refund of pro rata unearned premium. The change was approved by S.E.U.A. effective Jan. 1.

This has been something of a breath-taking announcement for many local agents and field men. There are numerous agencies in the south that have pursued the practice of attaching unearned premium insurance to all their lines as a matter of course and without a "by your leave." They are thus now deprived of this revenue and they will have refunds to make on all policies.

The new clause as announced by Georgia Inspection & Rating Bureau is substantially similar to that of the Texas optional coverage policy, which has been in force since 1944. It reads: "If a loss is paid under this policy, this insurance shall indemnify the insured for loss of the pro rata unearned premium on the amount of such loss payment. This company, however, may elect by written notice within 60 days after date of loss to reinstate this policy in the amount of such loss and, in consideration of such reinstatement, make no payment to the insured as provided by this clause."

### Not Automatic Reinstatement

Although, practically speaking, this change will amount to automatic reinstatement without additional charge, in the great majority of cases, it strictly speaking is not an automatic reinstatement provision, since the insurance company has the option to refund the unearned premium instead of reinstating. The principal objection to automatic reinstatement clauses is that there are occasionally cases where the company does not wish to assume additional liability but which are not serious enough to order cancellation. The language of this new clause provides an escape hatch for such situations, although it is taken for granted that most cases will be handled as reinstatements.

The Georgia Inspection and Rating Bureau bulletin stated that the new clause may be incorporated in all fire, extended coverage, windstorm and hail policies. Until forms are reprinted, it may be added by endorsement. It will mean the elimination of unearned premium insurance provisions and endorsements and the removal of the \$100 or \$250 automatic reinstatement provisions in forms. Full refund of unearned premium insurance premiums may be made on policies with this coverage on or after Nov. 15, 1950 and short rate cancellation of that coverage, as of Jan. 1, will be necessary on policies issued earlier than Nov. 15.

The necessity for unearned premium insurance has been a matter of argument for years, particularly since many insurance men and insured felt the fact that a policy is reduced by a loss payment—thus making reinstatement necessary—was never clear. Actually, no standard fire insurance policy has ever said so in as many words. The doctrine was established many years ago by court decisions, the courts holding that the expression in the insuring clause "to an amount not exceeding . . . dol-

**Likely to Become National Action Taken by I.E.A. Indicates**

NEW YORK—Automatic full reinstatement of insurance after loss and elimination of any charge therefor has been recommended to regional organizations by Insurance Executives Assn. This indicates that the action taken by Southeastern Underwriters Assn. is likely to become national, though there is some objection to going about it in the way S.E.U.A. has done.

Many forms of cover now contain provision for free reinstatement of losses up to certain amounts, \$100, \$250 and \$500. These provisions would have to be eliminated from the various policies.

The recommendation also covers inclusion in all forms of a clause that provides in effect unearned premium insurance without charge, except that the premium for the policy year in which the loss occurs is considered fully earned. The clause also permits the company to elect by notice within 60 days of loss to reinstate the policy fully, in which case the unearned premium would not be due insured, pro rate.

Installment premium endorsements would not contain a provision as to reinstatement. One of the things that was responsible for adoption of the action by S.E.U.A. was granting of full free reinstatement in such plans.

Presumably companies could adopt the idea of free reinstatement by general rule while waiting for forms to be revised. Some companies would like a simpler approach to the matter than the S.E.U.A. plan provides.

The reduction in insurance is principally accomplished by means of language in the loss draft. If this were eliminated, there would be no reduction in insurance in event of loss. Some companies want to retain the choice of staying on or getting off the risk, via the recommended unearned premium clause.

lars" meant that the amount of insurance was the absolute liability of the insurance company, whether in one loss or in a series of losses. For about 15 years, unearned premium insurance has been very common. Its practical desirability, however, has been questioned lately, mainly on the ground that the trifling additional premiums have not been worth the clerical expense to either companies or agencies and that a system such as has been adopted in Georgia would in the long run be cheaper for all parties.

### In Lieu of Any Similar Clause

Some of the companies have notified agents that in case of loss, claim under provisions of the free clause is in lieu of any similar clause such as unearned premium endorsement non-reducing clause in premium payment endorsement 665 or automatic reinstatement clause that may be attached to their policies.

This apparently will remove the question of discrimination that has been raised in connection with the installment payment of the term premium and the prepayment plan. Until now those paying in installments enjoyed automatic reinstatement whereas those that prepaid the premium did not.

S.E.U.A. points out that the effect of this clause is to provide full unearned premium insurance without extra charge

## Pierce Retires as F.I.A. Head; Ross Takes Top Post

At his request Curtis W. Pierce will retire as president of Factory Insurance Assn. March 21, at the time of the annual meeting of the association.

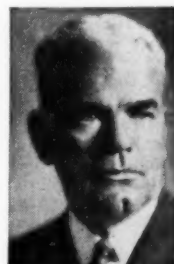
Mr. Pierce celebrated his 50 years in insurance in 1950, having served many years with America Fore, serving as vice-president when he was elected president of F.I.A. Under his direction the former three Factory Insurance Associations were consolidated into one nationwide organization which is now in a favorable position to meet the insurance needs of American industry on a broad scale.

### Ross Chief Executive Officer

Frank D. Ross, now vice-president of the association has been appointed to succeed Mr. Pierce as chief executive officer. After attending Massachusetts Institute of Technology he joined Eastern Underwriters Inspection Bureau and later was with New York Underwriters Agency and Scottish Union & National.



C. W. Pierce



Frank D. Ross



W. H. Forristall

In 1926 he joined the Eastern F.I.A. as assistant manager, and in 1942 was made manager. In 1943 he was appointed assistant to the president and in 1945 vice-president of the national organization.

Willard H. Forristall has been appointed assistant chief executive. He entered the employ of F.I.A. in 1919 after attending Brown and later service in the navy, at the end of the first world war. He served first as special agent in New York state and then in the home office as executive assistant, assistant manager, manager, assistant to the president and vice-president.

or at the election of the company reinstatement in the amount of the loss in lieu of the unearned premium payment.

Use of this clause necessitates removal of the present \$100 (for dwellings \$250) automatic reinstatement clause from all forms and removal from premium payment plan No. 665 of the sentence, "The amount of insurance hereunder shall not be reduced by the payment of a loss but that portion of the premium applicable to the amount of any loss paid shall be considered as fully earned."

In Florida it is permissible to attach the free clause to policies issued after Jan. 1. Existing policies with unearned premium insurance that were issued on and after Nov. 15 shall be entitled to full refund for the charge for this endorsement. On policies issued prior to that, the refund shall be on a short rate basis calculated to Jan. 1, 1951.

## Day Leaves Door Open for Challenge of N. A. Deviation

**Doubt Department Will Seek Rejustification on Own Initiative**

Insurance Director Day of Illinois has issued a regulation which leaves the door open for an "aggrieved" party to challenge the North America dwelling deviation as applied to the new dwelling rates in Cook county, but it is understood that the department will not initiate the action. The department reserves the right to call for rejustification of the deviation, but apparently in this case will only conduct further hearings at the instance of individuals or companies which demand a voice in the matter. It is held possible that such a challenge will be made, but so far any action in this direction is in the talking stage.

The regulation issued by Director Day is designed to interpret and make effective the section of the Illinois code in regard to deviations and reads as follows:

"An existing deviation on file with the department becomes inoperative when the filing to which it was related is changed, except as to the original filing in effect at the time the deviation was filed. The department will, however, as a matter of procedure, follow the practice of allowing a filed deviation to become effective automatically as to the revised filing unless or until, either on its own initiative, or pursuant to a good faith request from an aggrieved party, the department requests the deviating company to rejustify its deviation with an opportunity afforded for a hearing at which the company and the rating organization concerned may be heard, with not less than 10 days' written notice of such a hearing."

Director Day further comments, "The filed deviation will continue to be effective as to the revised filing until, as a result of such proceedings for rejustification, the department may disapprove such deviation."

Presumably any aggrieved party in this or any other case of deviation would be challenging the reasonableness of the deviation itself. There are those in the business who feel also that clarification of the deviation procedure in general is called for in the Illinois insurance code, written in 1937, which did not contemplate covering the type of deviation which North America has applied. Prior to North America's deviation, the deviations in Illinois were by mutual companies which deviated across the board by 20 or 25%. The North America deviation is different in character because North America only deviates on certain classes and not across the board.

Whether anything further is to be heard on the North America deviation or not, it is certain that it is the subject of a great part of the conversation to be heard along the Chicago insurance row.

## U.S. Chamber Group to Meet

A meeting of the U. S. Chamber of Commerce insurance committee has been called for Washington Feb. 15 for a look at governmental policies with respect to insurance at close range.

## Fiery Hearing at Boston on Escott Plan

Attempts to introduce amendments to the Escott rating plan for multiple location fire rating during a hearing conducted by the Massachusetts department at Boston brought forth charges of "dilatatory tactics" by the counsel for New England Fire Insurance Rating Assn., and a charge that the present fire rate making setup is "totalitarian" by Commissioner Harrington of Massachusetts.

The hearing was recessed until Jan. 31 or Feb. 1 after Benjamin M. Hermes, executive manager of N.E.F.I.R.A., indicated that his association would comply with Mr. Harrington's suggestion that the amendments be submitted to all member companies for a mail ballot.

The Massachusetts proceedings are nearly a year old.

The hearing began with the close of the case of the appellants, America Fore, Hartford Fire, Aetna Life group and Loyalty group. George R. Carey, America Fore, general counsel, offered letters from various state departments which he said had disapproved the plan. Charles P. Butler, counsel for multiple location service office and associate counsel for N.E.F.I.R.A., questioned whether some of the letters really constituted disapproval.

### Urges Decision on Amended Plan

John W. Downs, general counsel of the rating association, announced his intention of offering the amendments to the Escott plan now adopted by M.L.S.O. He said it would be unfortunate for Mr. Harrington to base his decision on the merits of a plan which is already obsolete. He told Mr. Harrington that if he disapproved the present plan, there is nothing to prevent the rating association from turning around and filing a revised plan.

An objection to introducing the amendments was immediately entered by Mr. Carey, and Mr. Harrington questioned whether they had been approved by all companies. Mr. Hermes said that the decision of filing new plans was made by the rates, rules and forms committee of the association, and he said that committee is "an autonomous body which decides on all these changes."

### Conducted Telephone Poll

Mr. Downs said an informal telephone poll of the committee showed that only two members opposed the amendments, they being F. A. Christensen of America Fore and J. K. Hooker of Automobile.

Mr. Harrington contended that the amendment should first be submitted to the membership of N.E.F.I.R.A., but Mr. Downs declared that the association by-laws do not require that.

Mr. Harrington then remarked that "common ordinary decency, if not the law, dictates that the amendment be placed before the membership and have a roll call vote." Mr. Butler reiterated that it would be useless for Mr. Harrington to rule on the original plan without considering any amendments. Mr. Harrington asserted "then we have wasted a lot of time, because you had the amendments in your pocket at the last meeting."

### Awaited N.A.I.C. Appearance

Manager T. D. McCarl of M.L.S.O. explained that he had not felt it proper to introduce the amendments at the November hearing because they had not been submitted to the N.A.I.C. committees or to members of M.L.S.O.

Mr. Downs arose to charge that "dilatatory tactics have permeated this hearing and have permeated this whole matter from the start." He did not state who followed such tactics, but both Mr. Harrington and Mr. Carey indignantly denied that it applied to them. Mr. Harrington termed the words "offensive."

Mr. Downs said the action of

N.E.F.I.R.A. governing committee in calling for a mail ballot of members on the Escott plan was "an extraordinary isolated case." He added to Mr. Harrington, "you have no right to say that the rating association as a condition precedent to being heard on this matter must submit it to the entire membership, contrary to its constitution and by-laws."

### "Approached Democratic Method"

Mr. Harrington replied that by its original mail ballot, the association "approached a democratic method, at least." He added, "if you want to run this rating association as a totalitarian organization and deprive the membership of knowledge of what is going on, then the department will have to recognize that."

"I'd like to go the full distance and tell you to submit it to the subscribers, too," Mr. Harrington added, "but if they get into an organization like this, perhaps it's their own fault."

Mr. Downs said he questioned the commissioner's power to order the association to conduct a mail ballot, but since the commissioner was now making it as a "suggestion" he would be glad to see if the governing committee would acquiesce.

Mr. Hermes said that while he could not speak for the rates, rules and forms committee, he felt that group would not have any serious objection to conducting a mail ballot on the amendments. The committee will consider the amendments Jan. 17 and if they are approved, copies will be sent to all members for a ballot.

The hearings closed on a lighter note when Mr. Butler made a ceremonious presentation of a copy of the amended plan to Mr. Carey, who had protested on several occasions that he had never seen it.

## Neville Call to Service Poses Problem for N.A.I.A.

NEW YORK—At the meeting of the National Association of Insurance Agents executive committee here Jan. 19-21, most important subject on the agenda will be the problem created by the return to active military service of John F. Neville, executive secretary of N.A.I.A. His orders require him to join the army judge advocate general's corps Feb. 5, with assignment at Brooklyn.

Other items on the agenda include a report of N.A.I.A. representatives at the N.A.I.C. December meeting at Los Angeles; effect of installment payment plans on agency agreements, and consideration of a schedule of dates for N.A.I.A. annual conventions through 1955.

In addition to President Melvin J. Miller and the members of the executive committee, Theodore M. Gray, executive secretary Ohio Assn. of Insurance Agents, will attend as chairman of the full-time state secretaries and managers group.

## Coast Hail Group Formed

Clarence H. Little, Home, was elected chairman of Pacific Coast hail research and adjustment committee at the inaugural meeting at San Francisco. G. V. Lundmark, Great American, is vice-chairman, and Paul Christensen, Continental, is secretary.

## Pearl Has Coast Changes

Pearl-American has named Peter Vail as inland marine department supervisor at Los Angeles, and Robert Gerugthy and Ted Siem, as special agents there.

Mr. Vail, a navy veteran, has been with Phoenix of Hartford at Los Angeles. Mr. Gerugthy was with New Zealand as special agent and underwriter, and Mr. Siem has been with Pearl since leaving the service in 1946.

W. L. Sahlberg, formerly with Fireman's Fund, has joined Central Business Property Co., Spokane agency.

## Pros and Cons on Wind Deductible Reviewed

Company executives who believed before the northeastern windstorm of Nov. 25 that there should be no mandatory deductible still believe it so firmly that it is hard to see how the mandatory deductible can be put through in any more territories than those in which it is now operating.

However, there has been much discussion of the subject and a canvass of the ideas on it reveals some interesting points. Some of them are:

One agent reported that more than 60% of his claims were under \$50, and he thought that where the deductible was in effect it undoubtedly greatly reduced the number of claims and the amount of loss. "But what a satisfaction we are getting in giving and paying those claims," he exclaims. "I consider it the best piece of good will advertising we have had and well worth the cost to the industry as well as to the agent. If after this particular situation is over, the loss ratios developed are recognized by both companies and insurance departments as dictating an increase in rate, I will be the first to defend that increase. Certainly the small individual property owner is better able to pay a small increase in rate than to have had to pay \$50 out of his pocket for roof repairs."

### Question of Competition

The mandatory \$50 deductible could be just what the competition ordered. Mutuals and independents with broadened household and dwelling covers generally are using the deductible. They might find their competitive forms considerably easier to sell if the more restrictive coverage of the conference companies also had a mandatory deductible. This will be true, even when the "additional extended coverage endorsement" recommended by Insurance Executives Assn. is put into effect by rating bureaus. This extension contains the \$50 deductible.

Those who think a rate increase is the answer rather than the deductible believe companies now can secure a 10-year rating basis for wind instead of five. This seems absolutely necessary if rating is to be realistic. The temper of the companies is a good deal firmer as to rates for this hazard, and the receptivity of state authorities should be warmer, after Nov. 25.

### Effect of TV Aerials

The approximately six-cent, three-year, extended coverage rate which prevails generally in the section hit by the storm does not consider TV aerials. Growth of the television business has occurred almost entirely since the rate was made, yet many of the losses are of aerial damage.

Hiring of extra help should be figured in the allowance in the rate for catastrophe. Despite the semi-war-production footing and peak employment at the time of the storm, those responsible for adjustments were able to impress many into service. It is testimony to the ingenuity of management in this field that they were able to locate and quickly train extra help that is proving so successful in lightening the burden on the regular force.

### Might Ask What Public Wants

It has been suggested that light could be shed on the issue of the deductible by asking the public what it wants. The public doesn't usually know what it wants, even in the styling of a tangible like a new automobile. Where the individual member of the public is not in his own field, this is understandable. Those who have had the greatest success selling the public have had the imagination to develop something different that is better or more attractive, and generally they have found the public wants and will buy that. The public wants more than it has had and it wants

it better. Those who evolved the E.C. provided that kind of article, more and better.

But an indication could be secured because this storm damage includes three states in which the deductible is mandatory and has been long enough for researchers to find property owners who suffered damage under \$50 deductible policies. In sampling opinion it would be possible in those states to present the choice as a difference in price. The business is not again likely to have so favorable an opportunity to check the public's opinion on this issue.

### Most Insured Don't Like It

Actually, agents already know pretty well how insured feel about the \$50 deductible. They don't like it. Many of them objected when it went into effect. Those with losses around \$60 to \$70 objected again after the storm, although losses of \$300 to \$400 did not produce much criticism.

The experience with the deductible in New York, where it is optional, shows that the public doesn't want it. Underwriters say there is not a large enough differential between the rate for the deductible and that for full cover, but isn't that a matter of rate? There are of course some executives who believe insured should have a choice, that it should be optional. However, these executives believe it should be truly optional and not be so rated that as a practical matter insured will not buy the full cover because the price is prohibitive.

### Taking Care of Emergency

Those who say that the business simply is not geared to handle 500,000 to one million losses created in one day, or anything like that number, and at the same time take care of the regular flow of losses, have a strong argument. Yet that is exactly what the business is doing. It is taking care of the losses that were created on Nov. 25 as well as the regular ones and is doing an excellent job of it.

In such an emergency there is great need for patience on all hands, and it is necessary to explain this need to the public perhaps to a greater extent than was done in the present storm. With such a catastrophe on their hands, the companies might well regard it as an opportunity as well as a necessity to spend a few more thousand dollars to keep the public informed of progress and of the size of task which they face. It is an opportunity because so many people with losses are alerted and would understand both the nature of the business and the kind of coverage if pains were taken to tell them.

One question that arises is how many losses of \$50 or less would still require inspection by an agent or adjuster.

### Two Views of Maintenance

There have always been some criticisms of E.C. on the score that without a deductible it became a maintenance policy. There are, however, two ways of looking at maintenance. E.C. premiums also maintain the insurers. Insurers are entitled to and should get money to pay losses, expenses and a profit, on E.C. as well as on other lines. But those who insure should be paid as much and as often as the contract allows. To do so oftener might allay what seems to be an innate public opinion, uninformed to be sure, that the business consistently tries not to pay.

The history of the \$50 collision deductible is cited by both proponents and opponents of the mandatory \$50 wind deductible to bolster arguments. Originally collision insurance generally was full cover, but the incidence of loss and the cost became too high. Some studies show that incidence of destructive winds in the northeast states is higher than

(CONTINUED ON PAGE 13)



## Florida Hurricane Maximum Loss Set at \$15 Million

MIAMI—As of Jan. 6 the number of claims from the Florida hurricane that had cleared through the National Board supervisory office at Miami totaled 18,676. Of these 2,374 were no claims and 3,412 were auto. The aggregate paid out was \$8,258,968 including the no claims, giving an average of \$442. It is estimated that there are 7,000 claims to come and these include many of the larger hotel losses. It looks as if \$15 million would be the maximum loss. The largest losses paid so far are the Roney Plaza, amounting to nearly \$90,000, and the Kenilworth, about \$47,000.

Gordon L. Ingebritson, assistant general adjuster, is in charge of the National Board office and Charles Dickert, executive general adjuster, is directing the G.A.B. storm office.

There are reports of market stringency on the Miami Beach hotels. The mutuals, reciprocals and Lloyds had the greatest share of the losses on these structures and they are timid about going back on. The stock companies continue to be gun-shy.

## Stone to Retain Nebraska Post for Few Months

Governor Peterson of Nebraska has announced that Insurance Director Bernard R. Stone will remain in that position for an "indefinite period." Mr. Stone had previously announced that he would resign Jan. 1 to resume the private practice of law.

In his public announcement, Governor Peterson paid tribute to Mr. Stone, stating that he had been one of the national leaders in the fight to keep insurance under state control.

Director Stone states that the "indefinite period" will in all probability be a "few months."

## Hold Managerial Institute at Storrs Week of Aug. 20

The annual institute for advanced agency management will be held the week of Aug. 20, 1951, at the University of Connecticut, Storrs, it was decided at a meeting held by National Assn. of Insurance Agents.

Laurence Ackerman, dean of the school of business administration, University of Connecticut; Clarence R. Rauter, N.A.I.A. director of education and research; William H. Wiley, executive secretary Connecticut Assn. of Insurance Agents; H. Sage Adams, member of the N.A.I.A. educational committee, and John Hanson, chairman Connecticut association committee, attended.

The school will again be sponsored jointly by the National association, University of Connecticut and Connecticut association. The curriculum will include legal and tax problems of proprietorship, office management, work simplification, agency expense analysis, communication problems, analysis of customers' accounts, advertising, salesmanship and effective speaking. The final period will be devoted to a discussion on how to be a better agent.

Applications for enrollment may be secured from N.A.I.A. or Connecticut Assn. of Insurance Agents.

## Moses Needed: Van Vechten

The business needs a Moses to lead it out of its perplexed state, J. F. Van Vechten, Akron, vice-president of National Assn. of Insurance Agents, said in his talk to the Cleveland Board. Since the S.E.U.A. decision insurance executives have been in constant fear of federal intervention. He wondered why the business itself can't solve such problems as multiple location risk rating and in-

stallment payment of term fire premiums.

Of the installment plan he asked: What will it do to small companies? Is it a competitive weapon? Is it discriminatory? Is it good for the business in the long run?

## Retail Lumbermen's Reports

Retail Lumbermen's Inter-Insurance Exchange of Minneapolis in its report as of Dec. 31 shows assets of \$837,072 and surplus of \$797,425. In 1950 the company had net losses paid of \$305,012. O. D. Hauschild is attorney and manager.

## Railroad Insurance Men at Chicago Are Optimistic

An article which appeared in the Jan. 4 edition of THE NATIONAL UNDERWRITER, reporting concern for the future of the railroad insurance business of the stock companies certainly does not reflect the opinion of western railroad insurance executives at Chicago. The Chicago specialists feel that the stock companies always have a number of special advan-

tages to offer the railroads and that there are as many, if not more, of these advantages present today than ever. The western railroad insurance people are far from being pessimistic about the future of their business and are, in fact, in an optimistic and vigorous frame of mind. They make the point that competition to the stock insurers is not new and is today, as always, whetting the appetites of stock railroad insurers.

The western railroad insurance men make the point that any underwriters of railway business must be guided by loss cost and that no matter how they couch their offerings, no underwriters can long ignore loss cost.



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## Whitcombe Heads Special Risk Group

Earle S. Whitcombe, Hartford Fire, was elected chairman of Western Conference of Special Risk Underwriters at the annual meeting at Chicago last week. Arthur H. Jens, Fireman's Fund, is vice-chairman, and Kenneth S. Ogilvie, Western Underwriters Assn., was reelected secretary-treasurer.

Mr. Whitcombe has been acting as chairman of the association for several months. Robert A. Nelson, who is with National Automobile Underwriters Assn., was elected chairman last year when he was assistant manager of Atlas. When he resigned, George Whitford, Fire Association, took over, and he was shortly afterward called to the home office.

The meeting was the largest in point of attendance of any in the history of the conference.

## Minnesota C.P.C.U. Elects

Minnesota chapter of C.P.C.U. has elected William E. Brandon as president; Joseph R. Brink, vice-president, and Bernard G. Brissman, secretary-treasurer.

## Expect \$3 Million Loss at Evansville

A fire which burned out 10 business establishments at Evansville, Ind., the morning of Jan. 4 is expected to cause insurance loss in the neighborhood of \$3 million.

The fire, which was swept by a stiff wind, damaged eight buildings in the center of the business district. More than 200 firemen from Evansville, Mount Vernon and Princeton, Ind., and Mount Carmel, Ill., were called in to fight the blaze. It raged out of control for four hours.

The fire started in the Economy Dry Goods store on Main street in the early morning and spread to a Walgreen Drug Store, the Evansville Federal Savings & Loan building, the Reed Shoe Store and the Bon Marche Women's Clothing Store, and then jumped across the street and gutted Hoffman's department store, Kruckmeyer & Cohn Jewelry Co., and the Baynam Shoe Store. Several adjoining buildings were damaged by smoke, water and heat, including the eight-story Citizens National Bank building. Many of the insured had their poli-

cies destroyed in the fire and the agents are searching their records to uncover all insurance involved. It is understood that one or two agencies in the Citizens National Bank building suffered damage and they will have to resort to their companies for some information.

Two of the largest buildings in Evansville—the Hulman building and the Citizens Bank—were severely damaged by exposure.

One business severely damaged was the Vanderburgh Abstract Co., where records accumulated for 150 years were completely destroyed.

Adjusters were on the ground Friday, and began to settle the losses rapidly. Although it was expected that more than 50 companies were involved in the loss, several major stock companies and the factory mutuals were believed to have suffered the brunt of the catastrophe.

Most of the insured carried business interruption coverage, and with the return of building restrictions, this form of insurance again presents a major adjustment problem. Steel is already a scarce commodity, and adjusters will have to resort to some of the methods used in the last war to keep these losses at a minimum.

## Bills Raise N. Y. Limits

Three bills introduced in the New York senate would make it illegal for an insurer to discriminate in issuing policies because of race, color or creed, require multiple dwelling owners to carry public liability insurance of five-ten limits, and increase from five-ten to ten-twenty the automobile bodily injury insurance limits under the financial responsibility law.

## Harvey Heads Arson Group

Lester S. Harvey, president of New Hampshire Fire and Granite State Fire, has been appointed chairman of the committee on incendiarism and arson of National Board. He succeeds E. W. Elwell, who resigned as chairman effective Dec. 31. Mr. Harvey is president of New Hampshire Board of Underwriters.

## Home Parley in Canada

Harold V. Smith, president, will be among those attending Home's conference of approximately 125 state managers and more than 20 executives and department heads from the home office at the Seignory Club in Quebec Jan. 22-25.

## Opposes Pier Sprinkler Law

The port of Seattle commission is engaged in a warm controversy with the Seattle fire department and the Seattle building department over attempts on the part of the latter to enforce a city ordinance requiring all piers to be sprinklered.

The commission, in appealing to the city council for relief, contends that other west coast cities do not have such stringent requirements, and that complete installation will cost \$350,000 and maintenance \$10,000 per year.

The commission wants to exempt piers that are narrow and used primarily for mooring fishing craft and also small pleasure boats.

Exception has also been taken to the fire department requirements prohibiting the handling of bulk oils from deep tanks of vessels directly into tank cars and the prohibition of handling barrelled oil from pier to ship if the oil remains on the pier longer than a single day.

## Roy Heads Senate Unit

Leo H. Roy, Hancock agent, has been renamed as chairman of the Michigan senate's insurance committee. Alpheus P. Decker, Deckerville agent and former member of the house committee for several terms and Frank D. Beadle, St. Clair, another agent starting his first term in the senate, are committee members.

## Farm Underwriters Reelect Officers

### Fire Record Good, but Windstorm Experience Continues Unfavorable

All officers of Farm Underwriters Assn. were reelected at the annual meeting last week at Chicago. They are: President, H. G. Bannerman, Hartford Fire; vice-president, John G. McFarland, American, and secretary-treasurer, Kenneth S. Ogilvie, Western Underwriters Assn.

In his report of administration, Mr. Bannerman said that the farm underwriters had a successful season premium-wise in 1950, but the loss record was "not so good." He added that the May 5-6 storm in the midwest produced the heaviest losses in history from a single cause.

Over a period of years, the farm fire record has been favorable, Mr. Bannerman declared, but the windstorm experience has been bad and there is no indication that it will improve.

### Personal Property Form Ready

Mr. Bannerman announced that for some time the association has been working on a blanket personal property form for farmers and this is now completed. It will be filed in all F.U.A. states as rapidly as practical. The new form will cover all personal property including machinery, and is designed to apply chiefly to the large farms where the farmer keeps books.

Named to the managing committee of F.U.A. were J. E. Cryan, America Fore; R. H. Gregg, Crum & Foster; F. M. Jackson, Aetna; A. R. Johnson, Hartford Fire; R. B. Shepard, Jr., St. Paul F. & M.; C. L. Zook, National Fire; C. L. Bloom, Commercial Union; G. M. Craig, Home; T. G. Dahl, Great American; R. Kermit Hill, Springfield F. & M., and J. R. Munson, Fireman's Fund.

B. R. Walinder, America Fore, was named to head the advisory committee. Other committee chairmen are: Public relations, J. E. Cryan, America Fore; fire prevention, Dennis C. Smith, Home, and forms, A. R. Johnson, Hartford.

C. E. Parks, National Fire, and G. C. Cundiff, Home, who retired recently, were elected honorary members.

## May Hike Auditorium Cover

ST. PAUL—Raising the insurance on the municipal auditorium from the present \$150,000 to \$1 million is being considered by the auditorium committee of the city council but before action is taken there will be an official appraisal of the building. It is not believed the present coverage is adequate.

## Kan. Agents in Legislature

Among the agents who are members of the Kansas house at the present legislative session are J. C. Berryman, Ashland; Laurin W. Jones, Dodge City; E. S. Nance, Oswego; R. H. Jennison, Healy; Chris C. Green, Courtland; Harry Beal, Clearwater; P. H. Zuercher, Macksville; Buell Scott, Johnson, and Howard Adams, Maple Hill.

## Four Neb. Agent-Solons

Insurance has four representatives in the Nebraska unicameral legislature in John J. Larkin, Jr., Omaha; Richard Marvel, Hastings; C. R. Lindgren, Campbell, and Herbert J. Duis, Gothenburg.



H. G. Bannerman

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## Plan Two for One Split of North America Stock

Directors of North America have approved a two for one stock split, reducing par value of the shares from \$10 to \$5. Stockholders will vote on the proposal March 21. Stockholders of record Feb. 13 may vote. Authorized capital would remain at \$30 million but the number of authorized shares would increase from three to six million. Purpose of the split is to secure wider distribution of shares and a broader market, according to the company. The company has 14,423 stockholders, 900 of them employees.

## Buyers Slate Two Seminars for New York Feb. 19-21

American Management Assn. will sponsor two insurance seminars at the Hotel Roosevelt, New York, Feb. 19-21. The two subjects to be discussed are the organization and administration of an insurance program and sources of liability. Chairman of the first seminar is George A. Mearns, insurance director of Sunshine Biscuit Co., and for the second, Graham Watts, secretary Eagle-Globe-Royal.

## Chicago Plane Loss \$75,000

The Monarch Air Service passenger plane which crashed at Midway Airport, Chicago, Jan. 4, was insured in London Lloyds through Associated Agencies of Chicago. The value of the plane, a C-46, is about \$75,000. The plane had just taken off for Philadelphia and Newark when the left engine went bad and the plane crashed three blocks west of the field. It exploded and burned a moment after all 46 passengers and three crew members had jumped or been helped to safety.

## N. Y. Chairmen Renamed

Sen. William F. Condon, Yonkers, Republican, chairman of the New York state legislative committee on insurance rates and regulation, has been reappointed chairman of the senate insurance committee. Assemblyman William MacKenzie, Allegany, Republican, continues to head the house insurance committee.

## No Boost in N. C. Funds

RALEIGH, N. C. — Under recommendations of the advisory budget commission, the North Carolina department would be held to virtually its current budget for the 1951-53 biennium.

Commissioner Cheek had requested \$262,701 the first year and \$272,675 the second. The commission pared this down to \$207,252 the first year and \$207,702 the second. His appropriation for the current year is \$212,720.

The commission refused to approve seven new employees for the department, five of whom were sought for administration.

## N.Y. Law Firm Change

The New York law firm of Barry, Wainwright, Thatcher & Symmers, 72 Wall street, has changed its name to Thatcher, Proffitt, Prizer, Crawley & Wood. J. Frank Wood, former associate of the office, has resigned as deputy superintendent of banks and counsel to the banking department of New York state, to rejoin the firm as a member. The firm originated in 1848.

## Study Tax Allowance

NEW YORK—The 1951 conference of the Insurance Accountants Assn. will be held in Atlantic City Oct. 17-19, and probably the 1952 conference will be at Sky Top, Pa., the scene of the 1950 conference.

A study is now being made by the tax committee of the association to deter-

mine if the 5% tax allowance is adequate. This is the amount allowed in reinsurance transactions to cover taxes. Members of the association have been asked to review their payments in this connection and submit figures so that an average rate can be determined.

## Tennyson Heads Hartford Group

Automobile Underwriters Club of Hartford has elected as president Benjamin I. Tennyson, assistant superintendent of the automobile department of Aetna Fire.

Vice-president is Wynant Williams,

Travelers; secretary, Robert L. Carter, Springfield Fire & Marine; treasurer, B. B. Stillwell, National Fire.

## Committee Finds Negligence

The House merchant marine committee investigating the munitions explosion at South Amboy, N. J., which last year caused more than \$10 million damage, found that virtually all who had any part in the handling of the explosives were guilty of a high degree of laxness, including the coast guard, Pennsylvania and Baltimore & Ohio railroads, etc. This is interesting in view of indications

that insurers and others may file subrogation action as a result of the explosion.

Seldon E. Brown, director workmen's compensation and insurance of Associated Industries of Missouri, at a meeting of that group Jan. 17, at St. Louis, will discuss proposals to increase workmen's compensation benefits and to re-define certain terms in the present law during the 1951 legislature.

Sioux Falls, S. D., Blue Goose luncheon club held a dancing and card party attended by 40 couples.



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## Prompt Passage of WDC Bill by New Congress Expected

Present indications are that the War Damage Corp. bill which ran into the year-end jam in Congress will be enacted fairly promptly by the present Congress. In the last war WDC was authorized to borrow up to \$1 billion from the government and was under the management of Reconstruction Finance Corp. In effect there was no limit on the liability of WDC. Presumably if it ran out of money it could go back for more. The measure offered last Congress specifically earmarks \$1 billion.

The first WDC issued separate policies that could not be endorsed. The coverage afforded left an area of uncertainty between the war exclusion clauses in insurance policies and the war damage cover which it is hoped can be avoided this time. The business has settled on an exclusion that retains for insurers all peacetime risks, and it is hoped the new war damage cover will be a close fit.

Insurers were appointed fiduciary agents of WDC in the second war, under signed agreements with that corporation. The agreements authorized the companies to sell the coverage on behalf of WDC, collect premiums and remit to federal reserve banks. It was up to the companies to handle the business as they saw fit. Most found it expedient to set up separate depart-

ments. Practically all companies wrote war damage cover.

The companies operated on a net cost base. The government reimbursed for those expenses that were above normal. There was a provision for participation in the risk and in the profits up to 10% or \$20 million, whichever was less. Frank Christensen, America Fore, and J. V. Herd of that group were executive vice-president and vice-president respectively of WDC.

Agents received a 5% commission up to a maximum of \$1,000 per policy, with a minimum of \$1 per policy.

### Plan Generally Satisfactory

There was general satisfaction with the operation of the plan. There was a rush for coverage when it became effective, on July 1, 1942, such a rush in fact that companies temporarily were granted binding authority. The binders later were replaced with permanent policies. After a few weeks the demand slackened off. Companies and agents then began to call the attention of insured to the coverage. This was quite an effective sales promotion program and a lot of cover was sold. The theory here was to avoid a lot of uninsured losses if a bomb did fall. The companies wanted to put the cover before the people and get a decision, yes or no. Actually the government did not encourage a sales campaign. It particularly did not want the people panicked by scare advertising or promotion. Undoubtedly there will be a sales job at some time in the future in connection with the coverage the present Congress is expected to authorize.

The question of charging for renewals came up as the war went on. The rate was a flat one, countrywide, and was 10 cents per \$100 on dwellings. These policies were renewed at the same rate at the end of the first year. At the end of the second year, since there had been no losses, coverage was extended automatically for 12 months for free. At the end of the third year the cover also was extended without additional premium.

### BILLS REINTRODUCED

WASHINGTON — Rep. McKinnon has reintroduced his bill to grant succession to War Damage Corp., containing some modifications, as compared with the form in which his bill was reported by the House banking committee and passed by the House last month. McKinnon plans to push the measure. The bill proposes to cover workmen's compensation, as does a similar measure introduced by Senator Ferguson, in line with the proposal supported by casualty interests and agents. McKinnon's bill goes still farther and provides for coverage of civilian defense workers.

Insurance representatives speculate whether manpower can be found to administer such a broad program during an emergency.

Introduction of new material in the bills will necessitate more committee hearings, it is believed.

### Merit Plaque for Minnesota

Honoring Minnesota's progress in safe driving instruction in high schools, a bronze plaque representing the "meritorious award" in the program sponsored by Assn. of Casualty & Surety Companies was presented at the winter meeting of Minnesota Safety Council at St. Paul. The presentation was made by L. C. McGee, Aetna Casualty, Minneapolis, newly appointed chairman of the Minnesota accident prevention committee, and it was accepted on behalf of the state by Dean W. Sweickhard, commissioner of education. It was the 20th state award.

### Change of Venue Denied

MINNEAPOLIS — A change of venue to Hartford of the \$108,023 suit of Harry H. Erdman against Resolute Fire has been denied by Federal Judge Nordbye and the trial is set for March 6 here.

In objecting to the defense move to take the case to Hartford, Mr. Erdman argued that "because of strong local bias and prejudice" in favor of insurance companies in Hartford it would be "impossible to receive a fair, just and impartial trial in that community."

Mr. Erdman is suing Resolute for the balance he claims due him on a contract he entered into in 1947 to serve as its executive vice-president at a salary of \$9,000 a year plus 5% of the "true underwriting profit."

### Conklin Monmouth Co. Speaker

John C. Conklin, past president of New Jersey Assn. of Insurance Agents and chairman of its legislative committee, will speak at a meeting of the Monmouth County association Jan. 17 at Asbury Park.

Charles S. Conklin, Jr., president of Northern of New York and John C. Conklin, agent at Hackensack and past president New Jersey Assn. of Insurance Agents, are bereaved by the death of their mother, Mrs. Edna B. Conklin, 75, was founder and president of the Bergen County Republican Club and for years member of the New Jersey and national Republican committees. She is survived also by her husband, Charles S. Conklin, of the Conklin agency, who is a Republican party leader in New Jersey.

Local agencies in Trempealeau county, Wis., share in the writing of \$757,750 of property insurance for the county, \$472,300 of which is new insurance to be added on a five year basis, with equal portions expiring each year.

## Day to Succeed Dunford as Va. Assn. Manager

William N. Day of Baltimore has been named manager of Virginia Assn. of Insurance Agents. Mr. Day, who is manager of the Maryland association, will assume his duties with the Virginia association January 15. He succeeds J. Earle Dunford who has been manager of the Virginia association since April 1945, and who resigned recently to re-enter the practice of law. During Mr. Dunford's tenure of office membership in the Virginia association increased from 347 to the present all time high of 470.

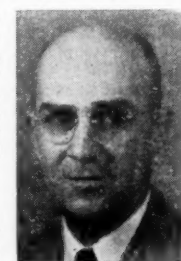
### Formerly in Public Relations

Following his graduation from Wake Forest College in 1933, Mr. Day was engaged in public relations work in the southern states. During the last war he served as a flight instructor for the army.

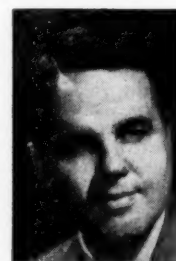
During his 10 months as manager of the Maryland association, Mr. Day was instrumental in increasing membership from 221 to 250 and he assisted in the organization of two new local boards and in having all local boards in Maryland made co-extensive.

## Prominent Agents at Helm of New Cincinnati Ins. Co.

Harry M. Turner, Springfield, O., president of the new Cincinnati Ins. Co., has been a leader in Ohio agency



H. M. Turner



J. J. Schiff, Jr.

circles for many years. He is past president of Springfield Assn. of Insurance Agents and past trustee of Ohio Assn. of Insurance Agents. His office is the largest agency in Springfield, where he has been prominent in many civic activities.

J. J. Schiff, Jr., secretary-treasurer of the new Insurer, is head of the Schiff agency of Cincinnati and past president of the Cincinnati junior chamber of commerce. He is a graduate of Ohio State University and past president of the Cincinnati alumni club of that school. Headquarters of the new company will be with the Schiff agency at 2926 Central Parkway.

Other officers of the new company are E. P. Webb, Lima, 1st vice-president, and R. C. Schiff, Cincinnati, 2nd vice-president.

### Asks \$250,000 Business Damages

Bruno R. Drake, agent at Cicero, Ill., has filed a \$250,000 damage suit against Cicero State Bank and Herbert A. Bruckner, vice-president, and Stone City Investment Corp. According to the newspapers, Drake charges that in 1944 when he was vice-president of the Cicero Bank, a \$2,500 shortage was found in the accounts of another employee, and Drake was asked by Bruckner's father to make up the \$2,500 shortage and resign as vice-president, in which case the bank would turn over all its insurance accounts to him and provide him with an office.

Drake claims that when his insurance business proved profitable Bruckner and his father, and others, set up Stone City Investment Corp., which he contended has been siphoning off the business that had been promised to him.

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## Springfield Group Home Office Building



HEAD OFFICE BUILDING FOR THE SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY, SPRINGFIELD, MASS.

Above is a reproduction of the architect's drawing of the Springfield Fire & Marine new head office building being erected on an 18-acre site at Springfield, Mass. The building will be ready for occupancy some time in 1952. The

fourth home of the company since 1849, it will be fire-resistive and scientifically planned, with emphasis placed on air conditioning, acoustical treatment of interiors, fluorescent lighting and inclusion of a cafeteria.

### Several New Appointments by Atlantic Companies

The service office of Atlantic Mutual and Centennial at Houston has been constituted a branch office and David A. Floreen has been appointed branch manager. Edwin G. Stephens has been appointed assistant secretary and will assist the agency secretary in production activities.

Francis K. Peterson has been appointed assistant secretary in charge of the companies' inland marine metropolitan New York underwriting.

James E. Crilly, Jr., southern California manager, has been appointed assistant general manager of the Pacific division at San Francisco. W. Brewster Davison, fire manager of the Pacific division, has been appointed southern California manager at Los Angeles.

John J. Elligette has joined the Atlantic companies at Philadelphia as casualty representative. He has a long insurance background, beginning with Globe Indemnity in 1931. He later served at Pittsburgh and Chicago and for nine years has been manager of Accident & Casualty at Philadelphia.

### New FTC Member Sworn In

WASHINGTON — Stephen J. Spingarn, formerly administrative assistant to President Truman, has been sworn in as member of federal trade commission to fill the unexpired term of the late Commissioner Ewin Davis. He had been serving since last October under recess appointment, but was only recently confirmed by the Senate. Mr. Spingarn, a New York Democrat, is a law graduate of Arizona University and has been in government service since 1934.

### Factory Mutuals in La.

Arkwright Mutual, Blackstone Mutual, Boston Manufacturers, Cotton & Woolen Manufacturers, Manufacturers Mutual and What Cheer Mutual, members of the factory mutual group which have not heretofore operated in Louisiana, have been licensed in that state.

For rating purposes they have qualified Factory Mutual Insurance Assn. as their rating bureau and it has filed its own schedule of rates with Louisiana insurance commission.

### Buyers Push Certificate Idea

Ernest L. Clark, president of Risk Research Institute, has appointed a committee to secure renewal of insurance policies by certificate. He says the present method of issuing entirely new policies is wasteful of time and material.

The committee will consist of J. C. Sullivan, American Chiclé Co., chairman; J. E. Hadock, Otis Elevator Co., and G. A. Mearns, Sunshine Biscuit Co.

### W. Va. Coal Dwelling Rates Cut; Hike Commissary Rate

Commissioner Crichton of West Virginia has approved proposals of West Virginia Inspection Bureau for a 29.5% reduction in fire rates on dwellings owned by coal companies and has approved an increase of 30% in fire rates for coal commissaries. Mr. Crichton also has called a hearing for Feb. 5 on fire rates for fire resistive coal operating properties, declaring that they are excessive, discriminatory and unreasonably high.

Dwellings owned by coal companies have been included under the coal operating classes for rate making purposes, even though after one would be sold to an individual it would be rated on a residential basis. Mr. Crichton said that while experience on these dwellings does not indicate lower rates, the reduction is based on the apparent discrimination between rates for dwellings owned by coal interests and those owned individually.

### Robinson Starts 41st Year

Frank J. Lausche was sworn in Monday for his third term as governor of Ohio. Walter A. Robinson, superintendent of insurance, who remains under the Lausche administration, entered upon his 41st year as a member of the department.

Hartford Accident has appointed Herbert G. Schwarz as district engineer, operating out of Syracuse, N. Y. He has been with the engineering department of the company since 1935.

Frank Albers, former state senator, has been appointed deputy insurance commissioner of North Dakota, replacing W. A. Zellmer.

John G. Mayer, executive secretary of the New York association, will speak on "What the Insurance Agent Can Expect in 1951," at the Jan. 15 meeting of Underwriters Board of Rochester, N. Y.

L. E. Wilkins, executive vice-president Kansas City F. & M., will address Kansas City Insured Members Conference on multiple line underwriting in Missouri at a luncheon meeting Jan. 16.

Eugene H. Hurst, manager for Hartford Steam Boiler at Chicago, will speak at the Jan. 18 dinner of Mid-West Insurance Buyers Assn.

"Civil Defense and the International Situation" was discussed at a meeting of Insurance Club of Minneapolis by Col. E. B. Miller, director of civil defense for Minnesota.

Ralph P. Mullinax, Jr., local agent at Kannapolis, N.C., has been elected president of that city's business men's club.

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- THE AMERICAN INSURANCE COMPANY  
Established 1846
- BOSTON INSURANCE COMPANY  
Established 1873
- CONTINENTAL INSURANCE COMPANY  
Established 1853
- FIDELITY-PHENIX FIRE INS. CO. OF N.Y.  
Established 1853
- FIRE ASSOCIATION OF PHILADELPHIA  
Established 1817
- FIREMAN'S FUND INSURANCE CO.  
Established 1863
- GLENS FALLS INSURANCE CO.  
Established 1849
- GREAT AMERICAN INSURANCE CO.  
Established 1872
- HARTFORD FIRE INSURANCE CO.  
Established 1810
- THE HOME INSURANCE CO.  
Established 1853
- THE PHOENIX INSURANCE CO. (CONN.)  
Established 1851
- ST. PAUL FIRE AND MARINE INS. CO.  
Established 1853
- SPRINGFIELD FIRE AND MARINE INS. CO.  
Established 1849
- UNITED STATES FIRE INSURANCE CO.  
Established 1824
- WESTCHESTER FIRE INSURANCE CO.  
Established 1837

### CASUALTY COMPANIES

- BANKERS' INDEMNITY INS. CO.  
Established 1925
- THE CENTURY INDEMNITY CO.  
Established 1925
- THE FIDELITY & CASUALTY CO. OF N.Y.  
Established 1875
- FIREMAN'S FUND INDEMNITY CO.  
Established 1930
- GLENS FALLS INDEMNITY CO.  
Established 1927
- GREAT AMERICAN INDEMNITY CO.  
Established 1926
- HARTFORD ACCIDENT & INDEMNITY CO.  
Established 1913
- THE HOME INDEMNITY CO.  
Established 1930
- NEW ENGLAND INSURANCE CO.  
Established 1939
- ST. PAUL-MERCURY INDEMNITY CO.  
Established 1926



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## Policyholder Patience Needed While Eastern Storm Losses Are Unpiled

The National Board this week is sending to newspapers in the area struck by the Nov. 25 windstorm a release explaining the size of the task the business has on its hands and asking for cooperation and patience. In it, L. A. Vincent, general manager, points out that the companies are well prepared to pay for all damage for which they are liable, and already have paid many millions of dollars, but it is taking time to complete the physical task of adjusting the huge number of claims. So great is the damage, however, that shortages of labor and materials also tend to prevent rapid restoration of all properties.

Never before have so many policyholders sustained insurance losses in so short a time and over so wide an area. Strenuous efforts are being made to handle claims as quickly as possible. The neediest claims, of course, have pri-

ority wherever possible. Delays in adjusting some claims are inevitable.

In most cases, the company home offices have gone on a seven day week to process the flood of claims that arrives with every mail. The companies have brought adjusters from all parts of the nation. Independent adjusters from all over the country have been directed to the area as well.

The policyholder himself can help get a quicker settlement according to the National Board. He should examine his windstorm or extended coverage policy and report his loss to his local agent. Temporary and permanent repairs are encouraged. He should keep a record of these expenditures.

The National Board has bulletined agents on steps they can take to expedite damage repair. For instance, in many cases contractors have advanced

sizable funds for repair work, yet have not been paid immediately by the insurance companies because of the vast flood of claims. Here agents are asked to assist contractors in obtaining short term bank loans to keep the repair work going.

### Watch Reinsurance Effects

An analysis of the storm and its effect on the reinsurers should be very interesting after the figures are in, say in six months. Reinsurers that do not write catastrophe covers are finding themselves daily more and more involved. This is because they have a number of contracts with smaller companies where they participate even on dwelling losses, or from the first dollar of loss. The number of large losses also is very great.

Some of the large direct writing companies with heavy losses reached their catastrophe cover, went through that, and go back into direct liability again.

Reinsurers will hit their catastrophe covers fairly heavily, and this is ex-

pected to result in increased rates. Many substantial catastrophe contracts, whether for reinsurers or for direct writers, are being written subject to a determination of the rate after the figures on the storm are all in. This may be June in several cases, or later. The rate is subject to retroactivity until Jan. 1. If no agreement is reached, the rate is payable pro rata. The main thing is to get the covers renewed.

Direct writers with sliding scale reinsurance contracts have substantial credits earned in recent profitable years which they can use this year to offset heavy losses from the Nov. 25 storm, the Florida hurricane and the midwestern winds. Consequently few if any such contracts will be renegotiated on basic elements. The last two or three years have been profitable ones.

Large reinsurers without catastrophe covers will, of course, reach their retrocessions as a result of the windstorm.

The storm seems to have set in full motion all of the intricate contractual machinery by which the direct writers, the reinsurers and the foreign market seek to protect themselves against just such an uncommon jolt and to spread the risk over as wide an area of insurance as possible.

Agents report that for the most part insured are being patient and helpful. In many instances insured did their own temporary and even permanent repairs. Agents report that the company service on payments has been wonderful. Most of the delay, one agent said, has been in getting good estimates. The good contractors are overloaded with work and cannot get around to all the places they are needed in a short time.

### Study Cost to Agents

There has been little complaint from agents on the score of agency expense in connection with loss settlements but the subject is expected to come up after the storm losses are cleared, for company ideas as to how the matter should be handled next time. For three weeks and longer after the storm agents who cooperated in loss settlements spent a large share of their time on this work. This they recognize will show up in less new business. Most of them were unable to spend any time on new business in that period, but could only keep up with loss work and non-sales regular routines. The amount spent directly was very minor compared with this loss of time. Agents feel also there should be a program designed to teach them how to adjust losses. They believe they should get a copy of guiding principles when these are adopted, in any event, if they are to understand exactly what they are selling and sell it correctly.

Settling losses is good for the agent, one of them commented, and he thinks it is good for his companies. It gives the agent a richer appreciation of insurance in action and a sharper sense of what he is selling. The expense of agency settlements is, he thinks, lower than those handled through the regular channels at least in connection with those from this storm. He is not looking for blanket delegation of adjustment authority by the companies to agents.

In states with mandatory deductible where a part of the insurance on the same risk is still non-deductible the pro-rating of the \$50 is really tough to explain and tougher to get insured to accept amicably.

### St. Paul Changes at Toronto

J. D. Logan, superintendent of agencies at Toronto of St. Paul, has been appointed branch manager there. William D. Blyth, assistant superintendent, has been named superintendent of agencies, and David E. Marshall assistant superintendent.

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## Accountants Liability Form Reviewed at Cincinnati

CINCINNATI—Unlike most general liability contracts, the accountants liability policy written by American Surety provides that if insured opposes a settlement suggested by the company and the case goes to court, the company's maximum liability is limited to the original proposed settlement. L. E. Dangelmeier, assistant manager here of that company, said at a luncheon meeting of Assn. of Casualty & Surety Managers. He reviewed the provisions of the policy.

Similar to some of the malpractice forms in common use, any settlement with clients of the accounting firm must be made with the consent of both company and insured. The policy amount is reduced by the loss, but this can be restored for a pro rata additional premium.

This special contract, Mr. Dangelmeier added, is written on a discovery basis and protection includes court costs and attorneys fees.

However, the loss of the time of a partner or officer of the firm while testifying in court on behalf of his client is not insured. Cover does not apply to acts of partners or corporate officers where fraud is involved; however, should an employee be guilty of such conduct, protection does apply.

Losses caused by honest mistakes to customers are insured and Mr. Dangelmeier stated that a good percentage of claims made today involve tax problems. For example, if an accounting firm makes a mistake in calculating the amount of tax due and the client must later pay this sum, the insurer is not liable for the unpaid tax, but it will pay the penalty assessed the taxpayer.

Principal exclusions apply to losses caused by libel or slander and liability for the securities act of 1933. This latter exclusion may be eliminated for an additional premium.

### Discovery Period

An interesting feature pointed out by Mr. Dangelmeier is that this contract has a 30-day discovery period after policy cancellation. This may be extended to one or two years for an additional premium charge. This extension, he added, is often sought by a member of a firm who is retiring from the business and wants the protection for losses discovered after the termination of the policy which may affect him.

Premium is based on the total number of employees, wherever they are located, but non-clerical persons such as telephone operators who do not participate in the accounting work do not have to be included. Cover may be written with or without fraud protection and limits range from \$10,000 up to \$200,000. Higher limits are available on request.

## Workmen's Compensation Hint in Truman Message

President Truman's address to Congress presents, in the opinion of insurance observers, a renewal of his fair deal program "dressed in uniform" on account of the national emergency.

Repeating his recommendation of medical care (health) insurance, for the first time, observers say, the President recommended sickness insurance, as distinguished from total and permanent disability coverage recommended before. He said: "We still need to provide insurance against loss of earnings through sickness, and against the high costs of modern medical care."

He did not use the phrase "social security," but "social insurance." Insurance observers believe the latter phrase will be interpreted by new dealers and welfare experts as including workmen's compensation.

## Leave Tariff Organizations

TORONTO — A Canadian Federation of Insurance Agents report dealing with circumstances surrounding the agency business in the prairie provinces states that nearly all western associations have agreed upon a resolution freeing them from the control of the tariff companies' organizations. A federation committee is investigating the various classes of agent and their respective responsibilities.

In 1951 the Federation plans to campaign for commission rates based on services rendered and not on a uniform rate to all agents.

JOHN H. WEBBER, retired Pennsylvania field man of North British, died at his home in Elkins Park, Pa. He was with the North British group from 1900 until he retired six years ago.

Dero Brown, local agent, has been elected mayor of Cookeville, Tenn., by the city commission. He formerly was chairman of the Putnam county Democratic committee.



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It's a nice neighborhood. It's a quiet street... plenty of shade trees... not much traffic. It's a good place to bring up kids. And the kids like it. So we want to stay. That's why I contacted Herb Bailey, our insurance agent... to make sure that come fire, explosion, tornado, falling aircraft, or what have you, we'd still have our home. We're glad, too, that Herb reminded us to protect our car and our personal effects.

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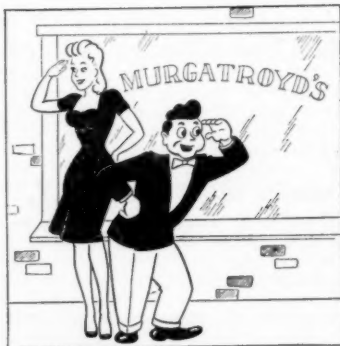


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## NEWS OF FIELD MEN

### Oregon F.U.A. Chooses Lawrence President

Oregon Fire Underwriters Assn. at its annual meeting at Portland elected Drew P. Lawrence, Great American, president. Other officers are Ralph E. Swan, Security of New Haven, vice-president; John E. Tilton, American, secretary, and A. Gordon Fraser, Fire Association, treasurer.

Trends in the business were discussed by John H. Martin, manager Standard Forms Bureau, San Francisco, and the problems in rating deductible fire policies were treated by A. J. Snow, manager Oregon Insurance Rating Bureau. Guests included Charles Wagner, retired manager of the Oregon bureau, and Commissioner Taylor.

The highway safety film, "And Then There Were Four," was shown at the

luncheon meeting of St. Louis Blue Goose Jan. 8.

### Kansas City Fire & Marine Makes Two-Way Field Shift

Kansas City Fire & Marine has transferred James A. Buford, formerly special agent in western Kansas, to Iowa as state agent with headquarters at Des Moines. He will work with C. T. Moreland, who has held down the Iowa assignment alone for several years. To replace Mr. Buford in Kansas, Arthur

S. Browne, for 13 years a fire underwriter at the home office, has been appointed special agent for that area with headquarters at Topeka.

Before joining the company in 1948, Mr. Buford was a partner in the local agency of Twomey & Buford at Iron-ton, Mo.

### Johnson Elected President of Washington F.U.A.

Washington Fire Underwriters Assn. elected M. C. Johnson, Phoenix-Connecticut, president at the annual meeting at Seattle. He succeeds John G. Miller, Groninger & Co. Mark T. Perry, Boston, was named vice-president, and Van C. Griffin, Glens Falls, secretary.

### Kenyon Made State Agent

Robert S. Kenyon, special agent in Massachusetts for Aetna Fire, has been appointed state agent for western Massachusetts. He was educated at Cornell University and joined Aetna in 1946, after 19 years of insurance experience with another company. In 1947 he was appointed special agent for western Massachusetts with headquarters at the home office and was transferred to Springfield when Aetna opened a new service office there later that year.

### Tiffany Joins American

American has appointed Norman S. Tiffany special agent for its greater Cincinnati territory, consisting of Hamilton county, O., and Kenton and Campbell counties, Ky. With regard to casualty, Mr. Tiffany will be assisted by E. C. Laude, special representative who has served this area in the past.

Mr. Tiffany, a navy veteran, at one time was a local agent at Cleveland. He is a C.P.C.U.

### Meeting for Younger Men

Ohio Fire Underwriters Assn. will hold a special meeting at Columbus Jan. 16 to acquaint the younger field men and newcomers in the field with its purposes and benefits.

### Andrews Agency Supt.

Charles H. Andrews, Jr., special agent in western Ohio, has been appointed agency superintendent in Columbus of American National Fire and Detroit Fire & Marine. John J. McKinley succeeds him as special agent, with headquarters at Columbus.

### Announce Kan. Inspections

Kansas Fire Prevention Assn. will inspect Lyons Jan. 24 and Anthony Jan. 25.

### Nat'l Union Names Adams

National Union Fire has appointed Wallace M. Adams state agent supervising Delaware, Maryland and District of Columbia. He succeeds Robert W. Martin, resigned.

### Taintor in Western N.Y.

Nelson C. Taintor, Jr., has been appointed special agent in western New York for Aetna Fire, with headquarters at Buffalo. He was graduated from Yale after army service in Europe and since completing the Aetna training course, he has been working in the Rochester, N.Y. service office. He will be associated with State Agent G. Alan Russell.

### Kan. Field Groups to Meet

The Kansas field organizations, including the Blue Goose and Fire Prevention Assn., will meet at Topeka Jan. 16-17.

### Inspectors School in Minn.

Minnesota Fire Prevention Assn. will hold a school for inspectors at Minneapolis, Jan. 25-26. Among the instructors will be Emmett Cox of Western Actuarial Bureau; Glenn Rowell and William Frietag of Minnesota Fire Un-

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Young man experienced in fire rating schedule. Prefer Michigan experience. Reputable agency. Reply stating experience, education, references and salary desired. Address D-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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General Agency in Colorado for a Fire Company and also a Skeeing Company. Address D-17, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Young man presently Manager of Branch Office, transacting Fire, Casualty and Inland Marine Insurance, and having good Agency connections, for sound reasons desires to make a change. Excellent references. Replies in strictest confidence. Address D-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Auto Liability underwriter. Must have heavy Illinois experience. Excellent opportunity with large progressive Company branch office. Replies confidential. Address D-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### CASUALTY UNDERWRITER

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### ACTUARY WANTED

by one of the nation's leading organizations providing hospital and medical/surgical coverage. Insurance Department experience desirable. All replies confidential. Give complete data. Address D-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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### OFFICE MANAGER AVAILABLE

Supervising accountant, office manager, with experience in Home and Branch offices, desires to make a change. Complete details upon request. Write or wire. Address D-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### MINNESOTA STATE AGENT

Fleet stock company has opening for experienced fire field man in Minnesota. At present do not have field man in that state. Replies confidential. Address D-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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January 11, 1951

derwriters Inspection Bureau; Chief Charles Johnson of Minneapolis fire prevention bureau and Chief Ralph Carney of the St. Paul fire prevention bureau.

### New Year Stag at Wichita

About 50 were in attendance for the New Year "stag" of the Sunflower Blue Goose puddle at Wichita.

### Mich. Flock Rally Feb. 8

Michigan Blue Goose will conduct its mid-winter meeting at Detroit, Feb. 8. This will be an afternoon affair, and in the morning there will be a meeting of the Michigan public relations committee with Raymond L. Jennings, American, in charge.

### Hold Mich. PR Meeting

Michigan Fire Underwriters Assn. Jan. 9 held a meeting at Detroit followed by a gathering of the public relations committee at which there was a panel discussion on "Stock vs. Non-Stock Insurance" in a joint meeting with casualty field men.

### Plan Fire Safety Tour

Georgia field men will present programs, including talks and films, on fire safety to more than 40 civic clubs throughout the state in the next eight weeks. A different field man will present each program. They include Russell S. Cullison, Springfield F. & M.; Sam E. Taylor, Bruce & Co., and Lewis Ledsinger, Jr., Lewis Ledsinger, Inc., general agent. Others will be announced later.

### Garbade Special Agent

H. M. Garbade, underwriter in the Louisville office of General of Seattle, has been promoted to special agent traveling Kentucky and southern Indiana. Justin S. Lencke will continue as manager of the Louisville service office.

John C. Barnwell has been transferred from the St. Louis service office to Louisville as claims adjuster.

### Rochester Field Club Elects

New officers of the Rochester Field Club are: President, E. A. Greenhalgh, Providence Washington; vice-president, John A. Riley, Phoenix; secretary, A. H. Darnell, Jr., Automobile. John Thetford, Great American, was elected chairman of the executive committee.

### Lloyd of Home Retires

Charles T. Lloyd, associate manager of Home at Richmond, Va., has retired. Mr. Lloyd joined the company in 1910 as an examiner in the southern department of the National Liberty division. In 1914 he went to Virginia, was made state agent in 1930, and associate manager in 1949.

### Helvenston to Ark. Field

R. Heber Helvenston, Jr., has been named special agent in Arkansas for Aetna Fire. He will make his headquarters at Little Rock.

A graduate of the Aetna multiple line training school, Mr. Helvenston has served in various departments at the home office. He served in the last war.

### Huff to Kansas City

North British appointed Richard H. Huff special agent under State Agent Jack Littlejohn, with headquarters at Kansas City. Mr. Huff has been at the home office.

### Hear Dithmer at Denver

Speaker at the Jan. 5 meeting of Fire Underwriters Assn. of the Mountain States at Denver, was Walter G. Dithmer, assistant manager of Western Underwriters Assn. Mr. Dithmer discussed the nine-point public relations program of W.U.A. and how it could be applied through the public relations program prepared by the local group under the

direction of M. L. Burg of Phoenix of Hartford.

Mr. Dithmer also attended a meeting of the Rocky Mountain chapter of C.P.C.U. at Denver, and the following afternoon met with the officers of the Colorado and Denver agents' associations.

### Great Amer.-N. E. Changes

Great American has promoted Joseph A. Tufts from special to state agent in eastern Massachusetts and Rhode Island. He will be assisted by Special Agent Joseph Flach.

E. Miles Prentice has been named New Hampshire and Vermont special agent, succeeding Charles Boynton who has been recalled to duty with the army.

### Schedule Ind. Inspections

Indiana Fire Prevention Assn. will inspect Huntington Jan. 18-19. There will be a luncheon meeting and talk the second afternoon at the Hotel Lafayette.

The association has scheduled an inspection of Mount Vernon for March 28, Bloomington, April 19 and Decatur, May 17.

### Royal Names Ulan, Vawter

Royal-Liverpool has appointed Joseph Ulan special agent at Cleveland and Frank Vawter, special agent at Dayton. Both men are graduates of Ohio University who have been training with Royal-Liverpool for more than a year.

### Crowl Named at Nashville

Royal-Liverpool has appointed Minor Crowl as special representative of the inland and ocean marine, aviation, glass and burglary departments with headquarters in the regional office at Nashville.

After service in the army air force, Mr. Crowl became associated with the group's aviation department in 1947 and has since then been located in Atlanta and Dallas. He has had extensive training in both the field and New York office.

### Name Canning at Cincinnati

Edward J. Canning has been named special agent in the Cincinnati office of Fireman's Fund group. Mr. Canning has been in the southern Ohio field for America Fore.

### Franzen to Houston Post

American has appointed L. Ward Franzen special agent for southeast Texas, assisting Special Agent C. Wilbor Cecil. After discharge from service he attended Lafayette College, graduating in 1949. He joined American that year and took the advanced course at the home office. He served then in various home offices underwriting departments. His headquarters will be at Houston.

### To Inspect St. Charles, Mo.

Missouri Fire Prevention Assn. will inspect St. Charles Jan. 30.

Harry H. Wolff, Western Actuarial Bureau, Chicago will speak at a meeting of the association at Jefferson City Jan. 24.

### Isham Beard Retires

Isham Beard, state agent in Mississippi for Aetna Fire, has retired after more than 38 years of service. He joined Aetna in 1912 as special agent in Mississippi and in 1919 became state agent. He began his career with a local agency and subsequently entered the field.

Aetna's affairs in Mississippi will continue under supervision of State Agent O. J. Schooley, with headquarters at Jackson. Marine Superintendent Maurice A. Gressett will continue to supervise marine business at his New Orleans headquarters.



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### Merchants and Manufacturers Insurance Company of New York

Organized 1849

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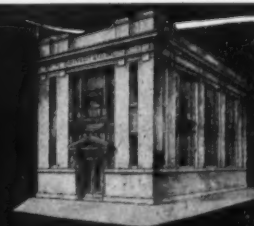
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## COMPANIES

### Glens Falls Combines Part of Fire, Casualty Operations

Glens Falls has consolidated the underwriting operations of the inland marine department of the fire companies and the burglary and plate glass department of the casualty company under the supervision of Vice-president Robert A. Leeret and Assistant Secretary Robert P. Crawford. Turner McDowell has been named manager and Stewart L. Robinson, assistant manager, with Charles E. Aubrey as special representative.

The handling of A. & H., burglary, plate glass and inland marine losses has been brought together in one unit under the control of Vice-president Merrill M. Simpson and Assistant Secretary G. Earle Fox. Frank B. Keech will supervise the unit along with Mrs. Pauline L. Usher and Clifford C. Floyd.

The changes are in line with a policy of consolidating, as far as practical, all of the group operations under the company's new multiple line underwriting authority.

### Attride and Fitzpatrick Home Assistant Secretaries

Roy R. Attride and Patrick Fitzpatrick have been named assistant secretaries of Home. Mr. Attride joined the company's marine reinsurance division in 1937. In 1939 he was made assistant underwriter in the transit division and in 1943 became marine special agent at Philadelphia. After serving with the office of strategic services during the second war, he was promoted to marine supervisor on his return. In 1946 he was transferred to the home office and in 1949 was made manager of the marine department.

Mr. Fitzpatrick joined Home in 1937 as a marine supervisor at St. Louis. In 1939 he transferred to Philadelphia as marine supervisor and in 1940 he was made marine manager there.

### Thurnall Vice-president

Albany of the Atlas group has elected Franklyn Thurnall vice-president. He has been assistant secretary in charge of New Jersey, the Middle Department and much of the south.

State Fire & Casualty of Miami has moved into new offices at 8020 N.E. Second avenue. Ralph Kaplan is the president and owner.

Southern Fire & Marine has increased its capital and surplus by \$150,000, adding \$98,400 to capital, which now totals \$250,000, and \$51,600 to surplus.

Affiliated F M has been licensed in California.

## CHICAGO

### ADJUSTERS HEAR VALENTINE

Don Valentine, inland marine manager of Fred S. James & Co., is speaker at the Jan. 11 meeting of Adjusters Assn. of Chicago. His subject is "Inland Marine Losses from the Agent's Viewpoint." The inland marine round table, the group of Chicago marine managers, are guests at the meeting, and Robert C. Haase, Colford-Haase, the president, is presiding.

### LEO WALSH JOINS UMBRIGHT

Leo S. Walsh, manager of the south side branch of Underwriters Adjusting in Chicago, will become a partner on Jan. 16, with C. E. Umbright of C. E. Umbright & Co., independent adjusters in Chicago. The new firm will operate as Umbright-Walsh & Co. with offices in A-1330 Insurance Exchange Bldg.

Mr. Walsh has spent 30 years in the adjusting field starting in the loss de-

partment of the National Fire in 1919. In 1927 he became loss manager in the Cook county department of London Assurance. He joined the Underwriters Adjusting in 1936.

Mr. Umbright started in 1919 as an independent adjuster. He became associated with the Cook County Adjustment Bureau in 1924 and in 1937 he became a staff adjuster for Western Adjustment and in 1940 was appointed manager of its Oak Park branch. He reentered the independent adjusting business in 1944. The firm will handle all types of loss adjustments.

### SMITH FARM EXAMINERS' SPEAKER

Farm Examiners Club of Chicago will hold a dinner meeting Jan. 16 at Toffenetti's, 65 West Monroe street. Dennis Smith, Home, who is chairman of the agricultural committee of the National Fire Waste Council, will speak on farm fire protection and prevention.

### FIRE EXAMINERS TO HEAR ELLIS

Assn. of Fire Insurance Examiners of Chicago at a dinner Jan. 18 will hear Will S. Ellis, Chicago metropolitan manager of Royal-Liverpool, discuss "Business Interruption Coupled with the Priorities Assumption Clause."

Rollins Burdick Hunter of Chicago has promoted John J. O'Brien to assistant vice-president. Mr. O'Brien is a graduate of Northwestern University and has been with the agency for eight years.

## NEW YORK

### DOREMUS TALKS ON E.U.A.

The Savings Bank Insurance Forum at its January meeting in New York City heard F. W. Doremus, manager Eastern Underwriters Assn., discuss the work of that organization.

### SQUARE CLUB DINNER

The Insurance Square Club of New York will hold a dinner meeting Jan. 18 at the Drug & Chemical Club. Richard C. Evers is in charge.

### WANT 500 DEFENSE VOLUNTEERS

The civil defense unit in Manhattan is enrolling 500,000 people for voluntary defense work, and the insurance business has been asked to supply 500 or more volunteers. Robert H. Nichols, America Fore, is chairman of the insurance section of the New York Board of Trade, which is writing to members asking their cooperation in getting enrollments in insurance offices.

New York City Local Agents Assn. at its annual meeting Jan. 25 will hear Superintendent Bohlinger.

### Urges More Attention to City Fire Departments

G. H. Parker, manager of Kentucky Inspection Bureau, who criticized the fire fighting equipment at Somerset, Ky., after a \$500,000 fire there, has sent a bulletin to mayors and fire chiefs of all cities in the state urging each town to devote attention to maintaining a well equipped and trained fire department. Mr. Parker states that there are some towns where the fire department exists mostly on paper. He points out that annually there is a three-day fire department training school conducted at the University of Kentucky, and the fire marshal's office pays full expenses for one man from each department to attend. About 33% of the towns were not represented last year, and some towns never send representatives, Mr. Parker states.

Trained fire departments can keep damage to a minimum, and prompt response by trained men usually means the difference between a fire quickly extinguished with small damage or a destroyed or partly gutted building.

## MARINE

### Thompson Succeeds Bull as Salvage Assn. Manager

J. Paul Thompson has been appointed general manager of United States Salvage Assn. to succeed Captain George S. Bull, who is retiring after 30 years of service.

Mr. Thompson is a marine consultant at San Francisco. Previously he had been president of United Engineering Co., San Francisco, a ship repair firm. He holds an unlimited chief engineer's license in steam, and has served on both coasts as a surveyor to the American Bureau of Shipping.

### Exhibit Shows Yacht Hazards

A pictorial presentation of the major types of losses insured under the yacht and motorboat policy issued by Automobile and Standard of Hartford will feature their exhibit at the National Motor

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Boat Show at Grand Central Palace, New York, Jan. 12-20.

## Elect Richenburg, Faunce Boston Board Officers

Philip Richenburg, head of his own general agency, was elected president of Boston board at the annual meeting, succeeding Walter S. Attridge. Other officers are K. W. Faunce of John C. Paige & Co., vice-president, and H. L. McNary, who is executive manager, secretary. Executive committeemen are Leonard Caplin of James Simpson and Co., H. P. Edward of James T. Phelps & Co., Frank J. Hennessey, John J. Rafferty of Kaler, Carney, Liffier & Co., and H. L. Wood of Kinkade & Co.

## Cass Goes With Reserve

Reserve of Chicago has elected Richard M. Cass executive vice-president. Mr. Cass was formerly executive vice-president of Mid-States, having helped organize that company in 1941 and leaving it in 1950. Prior to that he was with Lumbermen's Mutual Casualty for seven years and was an examiner with the Illinois insurance department for nine years.

## Allstate Ups Skillings

E. Shaw Skillings has been appointed assistant vice-president and actuary of Allstate. After graduation from Brown, Mr. Skillings spent 10 years in the consulting actuarial field and was with several insurance companies. He joined Allstate in 1940 as assistant comptroller. In 1947 he became actuary and assistant comptroller.

## Frank Stith Succeeds Father

Frank H. Stith has been named Buffalo manager for Johnson & Higgins. He succeeds his father, Erle W. Stith, who is retiring after 53 years in insurance.

Frank Stith has been in insurance work for 16 years and has been associated with his father as assistant manager for Johnson & Higgins since 1947.

Erle Stith, who is one of the best-known marine insurance men on the Great Lakes, went to Buffalo in 1904.

## Shipley Safety Director

C. E. Preslan & Co., Cleveland, which specializes in motor transportation insurance in Ohio, has appointed O. D. Shipley as director of its statewide safety program. He has been with Pennsylvania Motor Truck Assn., as safety director for two years and spent nine years as traffic and safety engineer in the army transportation corps. During that service he was a lecturer at Penn State College.

## Claim Men to Hear Attorney

Herman B. Zipser, attorney, will discuss "Inland Marine, the Great Misnomer," at the Jan. 16 dinner meeting of Inland Marine Claims Assn., New York City.

CHARLES SCHUCK, 78, retired secretary and one of the founders of Cosmopolitan Mutual Casualty, New York, died there. He retired two months ago.

Marine Underwriters of Southern California will hear Harold A. Black, admiralty attorney, present observations on the Inchmaree clause.

Continental Casualty has appointed Edward J. Gillott superintendent of the dishonesty insurance department in the New York office. He will supervise eastern burglary, fidelity and inland marine. Recently he has been at the home office.

Should St. Paul Firemen's Relief Assn. lose the 2% premium surcharge case in the state supreme court, the city council plans to maintain the fund at \$500,000 by increasing the city tax levy from 3/4 of a mill to 1 1/4 mills.

## Dirksen Takes Over Second Spot in Ill. Department

Edward J. Dirksen, deputy director of the Illinois insurance department, has been promoted to assistant director and second in command. Mr. Dirksen has been in charge of legal matters for the department. He was employed in the department's liquidation bureau from 1929 to 1942. He served in the air force and upon his return attended law school and was admitted to the Illinois bar in 1949. He has been with the department during the last two years.

James R. Ross, head of the policy examination division, has been promoted to deputy director. He returned to the department recently after a brief absence which followed seven years of department service.

## Pros, Cons on Wind Deductible Reviewed

(CONTINUED FROM PAGE 2)

many, including some insurance departments, seem to think. However, the incidence is by no means steady and persistent as is automobile collision losses and the incidence per insured is so much lower that the comparison perhaps fails altogether. Executives are pretty well agreed that payment of losses in itself is extremely valuable in fixing strongly in the public's mind the value of insurance. This in spite of dissatisfactions that are bound to crop up.

Insured always oppose an increase in premium payment, just as they object to any increase in taxes. But that objection is a general one that is prompted by an unpleasant subject. The non-payment of a loss, however, arouses a very active resentment that is often spirited, if not bitter, and long-lasting.

If insurance were all-risk like the personal property floater, deductible would be a different thing, but all of the other items in E.C. are not deductible and the fire is not deductible. This makes it hard for insured to understand.

However the argument on deductible is resolved, it is stimulating to observe how positively the top executives of the fire companies have dealt with and thought about the consequences of the storm. They are in general agreed that the functioning of the insurance contract so as to pay hundreds of thousands of insured for the damage they sustained is a very good thing indeed for the business.

## Move Phoenix Canada Men

Robert Rankin, assistant manager for Canada of Phoenix of Hartford is being moved from Montreal to Winnipeg as manager for western Canada. Thomas Hanson and Paul Quesnot have been named assistant managers at Montreal. William Holden is moving from Edmonton to Montreal to become superintendent of the inland marine department, with W. Perego going from Montreal to Winnipeg as inland marine special agent and James Buchanan going to Edmonton as resident superintendent.

## Arson Course April 23-27

The annual seminar and training course for arson investigators will be conducted at Purdue University April 23-27. The seminar is conducted by the Indiana fire service training schools and the public safety institute of Purdue University, with the cooperation of local, state and national organizations interested in arson control and prevention.

## Confer on Speakers' Bureau Plans

WASHINGTON—John F. Neville, secretary National Assn. of Insurance Agents, and Charles H. Frankenbach, state national director New Jersey association, chairman of the new speakers' bureau committee of N.A.I.A., conferred here with Maurice Herndon, Washington representative of N.A.I.A., secretary of the committee, on activating a program of providing speakers for civic groups, conventions, etc.

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## EDITORIAL COMMENT

### The New Look Eliminates Cubicles

The architect for a large insurance office building observes a strong trend in insurance offices toward doing away with private offices as far as possible, seating most office personnel in the open office. He described this as the latest phase in an office theory cycle of change in which office styles, like women's styles, change from season to season and almost back to where they started. The only difference is that changes in office styles generally seem more reasonable than milady's styles.

The office architect recalled that in the earlier decades of this century office styling was such that when a man was elevated to the executive rank, this was often literally true. In many insurance offices of that day, the higher-ups were seated on an elevated floor, a special platform, a half foot high or more, which raised them above the rest of the office workers. In almost all instances this custom has been obliterated. Then the insurance business entered an era in which private offices became all the rage. Office floor space was relatively cheap and construction and labor costs comparatively low. The private offices of top executives became increasingly large and luxurious. Their former offices were passed on to men of secondary executive rank.

New private offices were constructed for lesser executives and supervisory personnel in a variety of ways. There was a craze for segmenting the general office space into a variety of what might be called semi-private offices with partition walls that did not reach quite to the floor nor quite to the ceiling. These took a variety of forms, some of them being of wood, others of metal and many of them having glass around the sides so that one could see whether a man was in or not. It got so that any man who was anybody or even figured he was going to be anybody within 20 or 30 years felt it was beneath his dignity to sit out in a common office exposed to the elements, as it were. This sometimes led to a system of cubicle offices, little poorly ventilated closets in which one or two gentlemen were placed.

These cubicles were disadvantageous in most respects but the man who was closeted in one of them could feel that he had a private office.

In recent years it has become more popular to call upon office architects and business management experts to afford help in planning offices. Gentlemen of these callings are quick to point out the disadvantages of a system which demands a private office for almost everyone. Too many private offices cut off air and light. Communication is more difficult where in order to reach his secretary or one of his associates a man has to get up from his desk, walk out from his office and carry his message on foot or rely on an impersonal inter-office telephone. If he is out in the open, a man can solve many problems by simply calling to his mates.

These factors, plus the increasing costs of office space and the necessity for most companies to enlarge their existing staffs within the same old space caused a realization that a system of private offices eats up office space and that twice as many persons can be put in a room where barriers, partitions and walls are torn down and God's light, air and fraternity are allowed unimpeded flow.

So we seem to be in an era in which the tendency is to assign private offices only to those gentlemen of considerable rank and whose personal contacts are of a high-level and confidential nature that require a door that will shut them off from the rest of the office activities. One of the strong talking points for private offices in the past has been cut down with the elimination of much office noise through the introduction of acoustical ceilings, noiseless typewriters, etc. Insurance management has apparently come to see that unnecessary walls can be barriers to efficiency. Many a man who has been routed out of his cubicle has come to see the disadvantages of his former cave-dwelling existence. Bullpen vs. private office determinations are now based more on logical physical considerations than on less tangible worries about who outranks whom.

### Becoming Master of One's Fate

An insurance salesman needs always to keep his mental faculties well brushed up, not allow any dust to accumulate or rust to develop. Furthermore, it is essential that he have a buoyant and encouraging outlook on life. One who

is inclined to be pessimistic will discover that the burdens of life are crushing. He is not able to meet defeat in a manly way. He allows himself to be overwhelmed and cast down. The philosophic agent realizes that all his ap-

proaches will not be a success. He can learn much from his failures. The one who is everlastingly at it, is determined

to win and does not acquire an inferiority complex, in the long run will be able to master his fate.

## PERSONAL SIDE OF THE BUSINESS

**James O. Whelchel**, Tulsa local agent, has been appointed consulting professor of insurance in Oklahoma A.&M. school of commerce. Mr. Whelchel is a member of the executive committee of Oklahoma Assn. of Insurance Agents, chairman of the educational committee, member of the N.A.I.A. educational committee and member of the advisory committee to the educational division of the N.A.I.A. He received a master's degree from University of Missouri, did graduate work at University of Kansas and has had five years of college teaching experience.

**Francis J. O'Leary**, Cincinnati agent, will now be able to claim another exemption in his 1950 income tax return. A son, Kennan Francis, was born Dec. 29. This is the O'Leary's third child.

**Ray Murphy**, general counsel of Assn. of Casualty & Surety Companies, has been appointed a member of the associate and advisory committee of the special committee to study communist tactics and objectives and also to the committee on regulation of insurance companies of American Bar Assn.

**Bendan D. Walsh**, head of a Philadelphia local agency bearing his name, was married recently to Mrs. Benno Hart, Jr., of Paris, France.

**Homer H. Minnick**, Kansas state manager for Central Surety at Wichita, is celebrating his 25th anniversary with his company in late January with a "stag" open house.

**J. D. Randolph**, manager Zachary general agency at Greenville, S. C., underwent an emergency appendectomy last week. He is making good progress and expects to return home this week and to be back on the job soon.

The Missouri-Illinois Council of Optimist International presented **Charles W. DeWitt**, St. Louis local agent and vice-president of the St. Louis Browns, a citation as "Optimist of the Year" for his service in boys' activities.

**Stockton Rush**, vice-president of Providence Washington, and **Frank Weaver**, southern manager of Royal-Liverpool, were at Miami this week visiting the Hunter Lyon general agency.

**Charles Close**, vice-president of Great American, is in Miami on a combination business and vacation trip.

**Marvin Brownlow**, manager of Underwriters Salvage Co. of Chicago, is having a rest at Crystal River, Fla.

**B. A. Ingebritson**, who retired Jan. 1 as farm state agent in Wisconsin for Home, flew to Miami this week for a stay with his son, Gordon Ingebritson, newly appointed assistant general adjuster of National Board, who is in charge of the hurricane loss adjustment supervisory office of National Board at that place.

**William L. Rhoads**, assistant secretary of Pennsylvania Fire at Philadelphia, marked his 25th year with the

company at a luncheon there attended by office associates. Mr. Rhoads was inducted into the companies' old guard and received a number of fine gifts. He started as a general inspector, later was made special agent and then executive special agent.

A farewell party was given at Columbus, O., for **H. H. Chittenden**, retiring vice-president there of Home. Otto Rieg, divisional underwriter from the home office of Home and formerly associated with Mr. Chittenden, was master of ceremonies. Other former associates of Mr. Chittenden, men who have moved up in the company ranks after association with him in the Ohio field, spoke, including Richard Mercer, manager in West Virginia, and Alwin Bulau, manager at Indianapolis. Mr. Chittenden is going to take a trip to Florida.

**Cameron H. Sanders**, resident vice-president of American Automobile at Cincinnati, has been appointed executive officer and chief of staff of the military section of the Ohio civil defense corps. He has the rank of lieutenant-colonel in the Ohio state guard. Col. Sanders served on the Mexican border and later in France and with the army of occupation in Germany in the first war and has been active in a number of veterans associations.

There were more than 30 insurance people attending a banquet for **Ross C. Sherman**, Waukegan, Ill., agent, who retired after 51 years in the business. Toastmaster for the banquet was William H. Hansmann, vice-president of Fidelity & Deposit and the speaker was A. W. Nickerson, agency supervisor and secretary of Millers National. Mr. Sherman was presented a set of matched luggage at the dinner which also marked the 50th anniversary of the Waukegan agency. Mr. Sherman started with Goodwin, Hall & Henshaw at Chicago, then went with Eliel & Loeb as a counter man, traveled Illinois and Wisconsin for Starkweather & Shepley and was state agent of Rhode Island when he bought the Waukegan agency in 1921. This agency was established by Hurst Cady in 1901. Mr. Sherman was twice president of Illinois Assn. of Insurance Agents. The agency will now be directed by R. C. Sherman, Jr., who started in the business in 1936 with Millers National and went with his father following discharge from the army. A daughter, Jean Sherman, has been with the agency for 16 years, with the exception of army service, and will continue as office manager. Mr. and Mrs. Sherman are going to spend the winter in Florida and in the spring will build a home on Prairie lake at Chetek, Wis., where they have summered for 25 years.

### Statistical Rally May 17

Midwestern Independent Statistical Service has scheduled its annual meeting for May 17 at the La Salle hotel, Chicago.

## THE NATIONAL UNDERWRITER



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## DEATHS

**CLINTON V. MESEROLE**, 74, chairman of Pacific Fire, died after a brief illness. His death coincided with the company's 100th anniversary. After graduating from Princeton in 1898, he joined J. S. Freylinghuysen in a firm of New York insurance brokers. In 1902, he was elected vice-president of Pacific Fire and in 1919 became its president. In 1913, he brought about the merger of the Greenwich with the Pacific.

During the 1920's, Mr. Meserole acquired the affiliated companies, Bankers & Shippers of New York and Jersey of New York. He remained president of the Meserole companies until 1940 and was chairman until his death. For 20 years he was a member of the National Board arson committee, serving as chairman for two years.

Mr. Meserole leaves two sons who are in the business. Clinton V. Jr., is an inland marine underwriter for Pacific and Jere is a casualty underwriter with Chubb & Son.

**ARTHUR H. STOFFT**, who was with Ocean Accident and Columbia Casualty for more than 27 years, died at the home of his son at Burbank, Cal. At the time of his retirement last August he was superintendent of agencies of those companies.

**SUMNER RULON-MILLER**, 65, partner in Rulon-Miller & Co., and Hare & Chase, Philadelphia brokerage firms, died there following a stroke. At Haverford he set several inter-academic league sprinting records and excelled at track while at Princeton.

**NELSON B. REDDEN**, 63, for a number of years an examiner in the Ohio department, died unexpectedly while on a visit to relatives at Ottawa, O. After leaving the department, he became associated with the Frank M. Speakman organization, specializing in insurance accounting. His home was at Columbus.

**MRS. ROSE M. REID**, 78, widow of A. Duncan Reid, former president of Globe Indemnity, died at her home in Montclair, N. J.

**M. D. AYRES**, 73, mutual agent at Augusta, Kan., died at his office.

**WILLIAM A. FOOTE**, 87, who was treasurer of William H. McGee & Co.

for many years in New York City before his retirement, died at his home in Caldwell, N. J. He was with McGee & Co. 45 years.

**JOHN B. ROWE**, 52, active in insurance work at Rochester, N. Y., for 15 years, died there. He had represented Automobile at Rochester for five years and previously had been general agent for western New York for Aetna Life.

**THOMAS L. THOMSON, JR.**, who was with the Robert M. Hill Adjustment Co. of Detroit, was killed in action in Korea. He was a first lieutenant in the marines.

**WILLIAM H. DEXTER**, 46, departmental supervisor of Great American Indemnity in the metropolitan department, died at Brooklyn.

**WILLIAM B. REEVES**, 72, local agent at West Jefferson, N. C., died in Baptist hospital at Winston-Salem after a short illness. He was a state senator.

### Merrimack Names Butcher

Donald M. Butcher has been appointed special agent in New York state for Merrimack Mutual Fire. He is a graduate of Colby college and has been with Merrimack since 1947 as fire prevention engineer. His headquarters will be temporarily at Andover, Mass., and later at Syracuse. During the war, Mr. Butcher was a lieutenant in the marines.

### Plan for Philadelphia Rally

Plans are being made for the 50th anniversary celebration and banquet of Insurance Society of Philadelphia, Feb. 5. Kenneth B. Hatch, Fire Association, society president, has appointed George T. Rowland as general chairman of the arrangements committee. Harold V. Smith, president of Home, will be toastmaster.

The banquet will be at the Broadwood hotel.

### North Bridgeport President

Walter E. North has been elected president of Bridgeport (Conn.) Assn. of Insurance Agents, succeeding A. Forrest Louks. Robert W. Brown is vice-president and Louis R. Edwards, Jr., secretary.

### Flint Faces Rate Raise

City officials at Flint, Mich., have been notified by Robert Loughhead, Michigan Inspection Bureau, Detroit, that the recent National Board inspection there will not result in a reduction of rates and that, on the contrary, protection facilities must be improved to prevent an increase.

### Has 4 Property Courses

Los Angeles City College evening division is offering four courses in property insurance. Instructors and their courses are Broox Davis, Lumbermens

### Chicago Insurance Phone Directory Comes Off Press

The 1951 edition of the Chicago Insurance Telephone Directory published by The National Underwriter Co. is now being distributed. Copies of this complete directory of insurance telephone numbers and addresses in Chicago is now on sale at the Chicago office of The National Underwriter Co., A-1645 Insurance Exchange building, telephone No. WAbash 2-2704. The books sell for \$1 per copy.

The new edition of the directory is larger than ever, containing 184 pages enclosed within a sturdy cover and wire-binding. The book is divided into two principal sections, the one section for phone numbers within the Insurance Exchange building and the second section for those insurance offices outside of the building. Insurance offices and insurance men of all types are listed.

In the service guide are listed many non-insurance firms which offer accommodations to insurance people.

Mutual Casualty, insurance principles; W. C. Nicoll, National Retailers Mutual Fire, fire and inland marine; Johns Harrington, casualty claims adjustment, and Randal H. Lease, insurance law.

### Ohio Legislature Leaders

Fred L. Adams, local agent at Bowling Green, has been named chairman of the Ohio senate insurance committee and Harold L. Short, Piqua agent, chairman of the house insurance committee. Other agents serving on the committees are T. V. Moorehead, Zanesville, senate; R. L. Humphrey, Ashtabula, and Fred A. Hunt, Toledo, both on the house committee.

### Wis. Fire Marshals Meet

Deputy fire marshals of Wisconsin held their semi-annual conference at Milwaukee. Speakers included Commissioner Lange, William C. Braun, chief special agent National Board, Chicago, and Dr. R. C. Steinmetz, chief special agent Mutual Investigation Bureau, Chicago.

### Richland Mutual Reports

Richland Mutual of Mansfield, O., in its annual statement marking its 100th year, reports assets of \$1,098,201 and surplus of \$749,209. The unearned premium reserve is \$327,871 and the 1950 loss ratio was 26.3%.

### List Boston Library Courses

Insurance Library Assn. of Boston will open its second semester of evening classes Feb. 1, with a casualty course. Lecturers will be Ralph Ashton and R. W. Sanderson, Employers group; H. O. Donovan, Massachusetts Bonding and Fred J. Graf.

An inland marine course will start Feb. 6. Ernest Ahnberg of the Boston will conduct this course.

**Ory J. Armstrong**, local agent at Kalspell, has been elected speaker of the Montana house. He was reelected on the Republican ticket last November.

**Edwin J. Quick**, Muskegon, Mich., local agent, active in Michigan association affairs, has been elected mayor there. He has served as vice-mayor and a member of the city commission for four years.

**Employers Mutual Casualty** of Des Moines has moved its Minneapolis office to larger quarters in room 1038 Northwestern Bank building. M. H. Jamar is manager.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

Jan. 9, 1951

	Div.	Bid	Asked
Aetna Casualty .....	3.00*	104	107
Aetna Fire .....	2.25*	60	62
Aetna Life .....	2.50*	69	71
American Alliance .....	1.50*	26 1/2	27 1/2
American Auto .....	2.00	41	44
Am. Equitable .....	1.25	25	26 1/2
American (N. J.) .....	.90	22 1/2	23 1/2
American Surety .....	3.00	57 1/2	60
Boston .....	2.65*	59	62
Camden Fire .....	1.15*	21	23
Continental Casualty .....	2.50*	70	72
Fire Association .....	2.60	61	63
Fireman's Fund .....	1.60	58 1/2	60
Firemen's (N. J.) .....	.70	22 1/2	24
Globe Falls .....	2.30*	55	57
Globe & Republic .....	.80	13	14
Great American Fire .....	1.60*	31 1/2	33
Hartford Fire .....	3.00*	139	141
Home (N. Y.) .....	1.80	35	36 1/2
Ins. Co. of North Am. .....	5.50*	135	137
Maryland Casualty .....	.80	18	19
Mass. Bonding .....	1.60	26 1/2	28
National Casualty .....	1.50*	34	36
National Fire .....	2.50*	57	59
National Union .....	1.60	34	36
New Amsterdam Cas. .....	1.50	34	36
New Hampshire .....	2.20	41	43
North River .....	1.20	27 1/2	29
Ohio Casualty .....	.80	51	53
Phoenix, Conn. .....	3.00*	84	86
Preferred Accident .....	...	3	3 1/2
Prov. Wash. .....	1.50*	30	32
St. Paul F. & M. .....	3.00*	118 1/2	120
Security, Conn. .....	1.60	32	34
Springfield F. & M. .....	2.00	42	44
Standard Accident .....	1.60	32	35
Travelers .....	14.00*	535	545
U. S. F. & G. .....	2.00	46	48
U. S. Fire .....	2.40	66	68

\*Includes extras.



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Sure, taxes are high, but we all pay them!

The old alma mater may win next season.

There's new business available to offset every cancellation.

And you can always count on the strength, stability, loyalty and friendly service of . . .

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FOREIGN DEPARTMENT • SAN FRANCISCO  
EASTERN DEPARTMENT • PHILADELPHIA  
WESTERN DEPARTMENT • CHICAGO  
SOUTHERN DEPARTMENT • ATLANTA

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## CASUALTY BRANCH MANAGER AVAILABLE

A man 40 with 14 years as underwriting special agent and is now assistant manager for branch office. College education. Good personality. Has a lot to offer.

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330 S. Wells Street HARRISON 7-9040

Chicago 6, Illinois

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For correct coverage and proof of loss

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Detroit  
Cleveland  
Indianapolis

New York  
Nashville  
Dallas  
Burlington  
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J. B. ROBERTSON, PRESIDENT

KANSAS CITY

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## Cohen Reviews Many 1950 Cases of Interest to Sureties

NEW YORK—Some of the more important decisions involving fidelity and surety were reviewed before the Surety Claim Men's Forum here by David Q. Cohen, manager of the fidelity and surety department of Assn. of Casualty & Surety Companies. The forum has such a review made each year and it is of particular interest because the decisions in this field are not always easy to track down. There are several subdivisions and they are classified usually by legal logic rather than by insurance subject.

All cases are from 1950. Under the fidelity class, in *Eagle Indemnity vs. Cherry*, 5th federal circuit, a scheme whereby the employee made secret profits was held to constitute fraudulent and dishonest conduct within the meaning of the bond. However, Mr. Cohen compared this with *Levy vs. American Mutual Liability*, Maryland appeals court, in which it was held that secret profits made by an employee by fraudulently diverting and filling orders for his own account was not covered by comprehensive crime policy's definition of "property."

### Failure to Investigate

In *Paul Kaskel & Sons vs. Fidelity & Deposit*, New York appellate division held that provision for suit within 15 months from discovery of fraudulent or dishonest acts causing the loss ran from the date of the filing of the proof of loss. Surety's failure to investigate an employee who turned out to have a criminal record formed the basis of a suit by *Stansbury vs. Massachusetts Bonding* in the southern New York federal district court. The suit was for loss in excess of the bond penalty and was dismissed by the court.

In *Kitt vs. Home Indemnity*, the Ohio supreme court held that the bond issued in the name of a partnership instead of in the names of those constituting it covered a fidelity loss to the partnership though the composition thereof had changed prior to the loss. Mr. Cohen made the point that this emphasized the importance of writing the bond on a partnership correctly, that is on the individuals constituting the partnership, doing business as, the name of the firm.

Although no surety was involved in the state of Maryland vs. *Mihl*, a Baltimore criminal court case, Mr. Cohen cited it to call attention of surety men to the fact that the common law rule does not apply where there is a married woman's act. The case involved a wife working for her husband in the capacity of cashier, and the court held that she could commit larceny from him in spite of the common law rule to the contrary. Since all states have some form of the married woman's act, the case points up possible liability in businesses operated jointly by husband and wife.

### Was Not False Pretense

Where a person having the same name as a depositor drained the checking account of the depositor, and the bank had no forgery coverage, it was held by the North Carolina supreme court in *Peoples Bank & Trust vs. Fidelity & Casualty* that the bank had no coverage. The bank had carried forgery cover but had had this endorsed out of the bond and therefore was not covered for this risk at the time the loss occurred. The court construed the acts by which the account was depleted as forgery and not false pretense. This involved a bankers blanket bond.

Several states, 10 or 11, along with Illinois have an amendment to the uniform negotiable instruments law which defines bearer instrument. In *Hillman*

vs. *Kropp Forge Co.*, the Illinois appellate court held that where the employee of the drawer fraudulently procured issuance of checks payable to a fictitious person, which fact was known to the employee but not to the person signing the check, checks so issued were bearer and the loss falls on the drawer.

In *People vs. Continental Casualty*, the New York court of appeals denied a motion for remission of bail forfeiture, although the prisoner had voluntarily returned about a month after jumping bail and pleaded guilty to original charges and additional charge of bail jumping and had been sentenced to prison.

### Fiduciary Bond Case

A decision involving a fiduciary bond was decided by the New York appellate division, second department, in *Volpe vs. Emigrant Industrial Savings Bank*. The court held a bank has the right to recognize as valid appointment of a guardian by a court of another state for a depositor of the bank whom the court has committed as an incompetent person and to make payments to the foreign guardian from funds of the depositor. A foreign conservator or guardian has authority, without complying with local law, to receive money or property which is voluntarily paid or delivered to him.

The judgment was for the owner in *Stewart vs. Kaplan*, in which the California second district court held that action for damages resulting from defendant contractor's negligent delay in failing to apply for a building permit for commercial construction, in accordance with agreement with the result that permit was not issued prior to governmental prohibition against further issuance of such permits for the type of construction.

### Holds for Surety

The Alabama supreme court held for the contractor and surety in *City of Mobile vs. George*. This was an action by the city against the street contractor and surety. There was a provision in the contract that the contractor was to be responsible for all damages to persons or property which might occur as a result of his negligence. In a previous action by the administratrix of a police officer killed by a hole in the street, in which the city and the contractor were joined as defendants, the jury held the city and found in favor of the contractor.

The western Missouri federal district court, in *Park National Bank vs. Travelers Indemnity*, held for the surety. The action was on a standard form of performance bond for private construction. The final provision of this is "no right of action shall accrue on this bond to or for the use of any person or corporation other than the owner named herein or the heirs, executors, administrators or successors of owner."

The bank which had made a construction loan mortgage to the owner and had bought in the property at foreclosure sale, sued on the performance bond, claiming to be the successor of the owner. The court held that the bank did not stand in place of the owner. The foreclosure proceeding was an adversary proceeding to the owner and there was no privity of contract between the bank and the surety. It has been suggested that a mortgagee bank can protect itself by having the bond specifically designate the mortgagee as a successor of owner.

One case that came to Mr. Cohen's attention after he made his talk involved a contract bond. This was *Standard Accident vs. Green Rose* and was an action decided for the surety by the Kentucky court of appeals. It was an action by the owner on standard forms of perform-

## WDC Expected to Pass; Problem of W.C. Still Open

Though the War Damage Corp. bill in Congress was one of the many that did not get through before the end of the year and therefore has to start the legislative route all over again, observers believe it will be reported out of committee pretty much as is and that it will go through without difficulty.

The decision to make an entirely separate approach to the problem that faces casualty companies in connection with workmen's compensation, in event of the bombing of industrial plants, leaves that segment of the insurance business still with the issue unresolved of how to approach the problem.

### Amount Is Earmarked

Congress made it clear that it was earmarking only \$1 billion for War Damage Corp. This could be very little if the bombings were serious and there was much property as well as life lost and injuries sustained.

There is some sentiment against reinsurance by the government of this liability for W.C. insurers. The chief defense of the W.C. insurer in case of bomb injury or death is that nothing is contained in the rate for them. Once the loading is inserted in the rate, insurers, it is believed, would have no possible defense. This course would expose them to total liability, in exchange for what is regarded by some as the dubious right to get a share of \$1 billion, pro rata with property owners.

An alternative suggestion is that a federal law be passed setting up a system of benefits in case of war bomb injuries. This largely is opposed on the ground of socialization, but one reply is that in war, with wage and price controls, etc., everything is pretty much socialized anyway. This plan might work all right. One thing that could be done would be to deny federal payments to workmen in those states where it is necessary to recover against the employer, which means the insurer.

### Mass. Bonding Pay Boost

Massachusetts Bonding has increased the salaries of all permanent employees receiving \$5,000 or less per annum by 8%. Those receiving over \$5,000 are to be considered individually.

The company has an established job classification and salary program under which merit and promotional increases are granted periodically. Maximum salary limits in all pay grades are to be revised upward by approximately 10%.

and payment bonds for private construction. The owner contracted for construction of two dwellings for a total of \$11,600. The surety executed a 50% performance and a 50% payment bond each in the sum of \$5,800. The contractor defaulted. Apparently the cost of completing the two dwellings was \$9,000. At the time of default, the contractor was also indebted to material men for about \$690. The surety admitted liability for full penalty of its performance bond, \$5,800 and paid the material men. The owner claimed that both bonds were to be construed together for his benefit and sought recovery up to the amount of the penalties of each bond. The court held the two bonds were separate and distinct obligations. The surety was held liable only for the amount of its performance bond.

Mr. Cohen cited several cases involving the federal assignment of claims act of 1940 and pointed out that the issue as to whether a bank holding an assignment under the act has by reason thereof priority over a surety is still unsettled.

## National Casualty Entering General Casualty Field

### Sets Up New Casualty Department with Experienced Men in Charge

National Casualty is starting the writing of general casualty lines and has organized a casualty department with C. W. McDonnell, director of agencies; Robert L. Sias, agency supervisor; Thomas F. Stewart, superintendent of claims; Warner F. Voss, superintendent of underwriting; John J. Reahman, underwriting department, and Frank E. Dulapa, assistant auditor.

The company for a number of years was associated with Continental Casualty in an arrangement under which Continental wrote various classes of casualty insurance for National. With the termination of that arrangement it reverted to its former status of writing A. & H. only.

Mr. McDonnell entered insurance in 1928 as an independent adjuster at Cleveland, joined Utica Mutual as chief claims examiner in 1938 and went with Dearborn National as agency vice-president and a director in 1940.

Starting in the business with Lumbermens Mutual Casualty at Chicago in 1936, Mr. Sias joined American Mutual Liability two years later as assistant manager at Chicago and later at Louisville. He then went with Zurich as specialty division sales representative for the middlewest and eastern states and just prior to army service in the last war was special agent at Chicago for American Automobile. After discharge he became manager at Peoria for American Casualty.

Mr. Stewart has been in the business since 1930, starting with Aetna as a claims adjuster. In 1945 he went with American States as claims manager at Cleveland and later at Detroit. Mr. Voss started in the underwriting department of Standard Accident in 1933 and in 1939 transferred to its Florida general agency as office manager. In 1942 he was named manager of the Detroit casualty underwriting department of American Automobile and in 1947 became manager there for Massachusetts Bonding.

Mr. Reahman began with Royal Indemnity at New York City and later was with New Amsterdam Casualty and Continental Casualty at Detroit. Mr. Dulapa has been assistant treasurer of Dearborn National Casualty. He started with that company in 1946 following service in the last war.

### National Health Backers on the Job Already

WASHINGTON—Among the bills introduced in the new Congress is one by Rep. Celler, chairman judiciary committee, and Rep. Dingell which calls for national health insurance and other features of a health program.

Rep. Keating has a bill to prohibit the credit of subscription charges or insurance premiums with respect to health or medical service plans or programs, or health or medical insurance for the purposes of federal income tax.

Glens Falls has been elected to membership in Assn. of Casualty & Surety Companies.

## Start New Fight to Salvage Keystone Mutual Casualty

HARRISBURG—A renewed strong effort to salvage the defunct Keystone Mutual Casualty of Pittsburgh has been touched off here with the full backing of the insurance department and the state attorney general.

On one side of the battle is former Judge E. W. Marshall of Pittsburgh, who represents 11 policyholders. They want the company declared solvent and its affairs turned over to them and any other policyholders who wish to join them. On the other side is Maurice Stern, Philadelphia attorney, speaking for six policyholders who want to liquidate the company's assets and distribute them.

In the middle is N. P. Kann of Pittsburgh, who was general manager and secretary of the company when it was declared insolvent in 1947. He is trying to protect his interests and those of other officers and policyholders.

A petition has been filed by Commissioner Leslie and Attorney General Margiotti in which they ask the Dauphin

county court to reverse itself in declaring the company defunct and pump new life into it. A court hearing will be held Jan. 15. At that time the commissioner will submit a statement by Wolfe, Corcoran & Lander, New York accounting firm, to show that Keystone has more than \$8 million in assets now. The Philadelphia group maintains that the commissioner's action is unconstitutional.

The state now claims that instead of being insolvent by \$1,500,000 at the time the court ordered its liquidation at the request of former Commissioner Malone, the company was solvent then—as they say it is now—by a margin of \$500,000.

In an early move by Marshall to seek rehabilitation of Keystone, Commissioner Hanley of Maryland strongly objected to the petition because he said Marshall represented only 11 of 150,000 policyholders—or .001 of 1%.

Describing the rehabilitation plan as "unfair" and "against the best interests of the creditors and policyholders," Hanley charged it was a "scheme to freeze out and exterminate a large number of policyholders." He said it would "repudiate all liabilities to policyholders" and "utilize the ill-gotten gains thus accumulated, along with those chiseled from creditors by oppressive means."

## Hopkins Heads Southern Unit of Hartford Accident

Hartford Accident has appointed John R. Hopkins as manager of the southern department. He has been associate manager of the department since 1945 and now succeeds to the position made vacant by the death of Cary F. Baker, Sr.

Mr. Hopkins, who has spent his entire business career with Hartford Accident, joined the southern department after graduating from Virginia Military Institute in 1926. In 1928 he was appointed special agent for South Carolina. He returned to Atlanta as agency superintendent in 1936, and two years later he was appointed assistant manager and in 1943 associate manager.

## Hold Rehabilitation Forum

A forum on rehabilitation, arranged by industrial and insurance organizations of New York state to direct employers' attention specifically to effective facilities that are available for the rehabilitation, retraining and reemploy-

ment of workers who become victims of industrial accidents or occupational diseases, was held at New York. The meeting, attended by 200 industrial and insurance executives, was jointly sponsored by Assn. of Casualty & Surety Companies, Assn. of New York State Mutual Casualty Companies, National Assn. of Mutual Casualty Companies, state insurance fund, Self-Insurers Assn., Associated Industries of New York State and Commerce & Industry Assn. of New York.

John L. Train, president of Utica Mutual, presided. Others on the program included C. F. Smythe, New York Telephone Co., chairman Self-Insurers Assn.; S. E. Senior, state fund director of compensation claims; Stanwood L. Hanson, assistant vice-president Liberty Mutual; Miss Mary Donlon, chairman N. Y. workmen's compensation board, and J. Dewey Dorsett, general manager Assn. of Casualty & Surety Companies.

## Speakers Are Lined Up for Tex. Casualty Meets

FORT WORTH—Speakers have been announced for the annual casualty-surety meetings to be held at Dallas, Jan. 25, and Houston, Jan. 26, by Texas Assn. of Insurance Agents.

In addition a special report is to be made on a proposed bill to be filed in the 1951 legislature that would modernize Texas casualty rating laws by authorizing the Texas department to approve retrospective rating plans for workmen's compensation, automobile liability and general liability, singly or in combination, and to set up certain interstate rating procedures in line with practices in other states.

Speakers are Angus McDonald, casualty actuary Texas department, on "What's New Casualty-Wise"; A. W. Penn, director of bond and burglary section Texas department, on "How to Be Kind to the Claim Man"; Charles J. Haugh, secretary compensation and liability department of Travelers, on "Interstate Rating"; Paul Benbrook, southwestern department manager National Bureau of Casualty Underwriters, on "The New Texas Experience Rating Plans"; R. Maynard Toelle, midwest supervisor at Chicago for American Foreign, on "Why Stay at Home," and Charles N. Dubach, agency superintendent Hartford Accident, Chicago, on "A Great Deal About Nothing in Particular."

J. F. Niccolls of Houston, chairman of the association's casualty committee, will preside at the Dallas meeting and George E. Byrne, Marshall, co-chairman, will direct the Houston proceedings.

## Want State Health Plan

The adoption of a health program supported by workers and employers to provide medical and hospital care is one of the major items on the 1951 legislative platform of the New York State CIO Council. It also is supporting increased disability benefit payments and a change in administration of the law from the workmen's compensation board to the unemployment insurance department to relieve employees of the payroll taxes. The American Labor Party has also endorsed a comprehensive state health insurance program.

## Hardware Veterans Honored

Hardware Mutuals of Stevens Point on Jan. 4 gave special recognition to the 35th anniversary of Vice-president Karl W. Pfiffner and the 25th anniversary of N. E. Masterson, vice-president and actuary, and N. J. Zei, Wisconsin casualty underwriting manager.

Mr. Pfiffner started as an accounting clerk and advanced to vice-president in charge of sales. Mr. Masterson started as a statistician in 1926. Mr. Zei has spent 25 years in casualty underwriting, starting as a clerk directly after leaving school.

## HIGH SPOTS IN HISTORY



### BUYING THE "MINES OF SPAIN" . . .

Way back in 1788, Julian Dubuque, Iowa's first white settler, mined lead near where Dubuque now stands. Eight years later the Spanish governor of Louisiana, granted him possession of "The Mines of Spain."

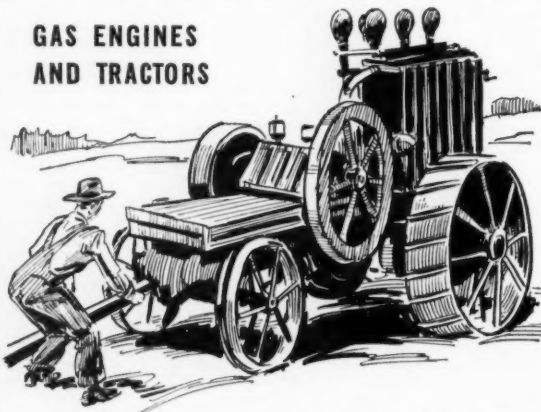
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### IOWA'S PIONEER OUTFITTING POST

Back in 1849 Council Bluffs was known as Kanessville. It was a very important outfitting post for the men and women who joined the California gold rush down the Oregon and Mormon trails.

### GAS ENGINES AND TRACTORS



At the turn of the century, in 1901, two men, Charles Parr and Charles Hart of Charles City built what is thought the first "tractor." They built stationary gas engines for drawing farm implements.

### Also a High Spot . . .

. . . in many insurance agents' careers is when they join Hawkeye-Security and Industrial's great team.

They build volume because always they get the best in home office co-operation.

Comprehensive coverages . . . prompt settlements and every home office assistance build sales.

## HAWKEYE-SECURITY INSURANCE CO. INDUSTRIAL INSURANCE CO.

Des Moines, Iowa







# FORESIGHTED...

*for increased production*  
*...protection plus CDE*

The COMPREHENSIVE DWELLING ENDORSEMENT is no longer  
 a dream of the future. It's here!

And National Retailers Mutual Insurance Company played an important role in the development of this new endorsement to standard Fire and Extended Coverage policies. This all-risk type coverage, recently announced by the Transportation Insurance Rating bureau, is already approved in New York.

This foresightedness . . . this anticipation of policyholder needs and agency prestige, coupled with careful, considerate underwriting . . . always has been the guiding principle of National Retailers. Such progressive thinking helps the nationwide network of N-R-M representatives stay ahead of competition . . . for increased production.

Write for the folder describing this new COMPREHENSIVE DWELLING ENDORSEMENT, *You Can't Tell When the Phone Will Ring.*

## *National Retailers* MUTUAL INSURANCE COMPANY

114 years of good insurance plus policyholders' dividends.

James S. Kemper, president and chairman

EXECUTIVE OFFICES: Kemper Insurance Building, Chicago 6 • HOME OFFICE: 342 Madison Avenue, New York 17

Seaboard & Western Airlines has received the first safety award of Aero Associates for "safe flying while pioneering and developing international air freight on the north Atlantic trade route, and performing outstanding airlift for national defense over the Atlantic and Pacific oceans during the Russian blockade of Berlin and the war in Korea."

Left to right at the presentation ceremonies are: Bernard W. Roos, general agent of Aero and vice-president of Associated Agencies of Chicago; D. Murray-Stewart, president of Aero Associates; G. DeWitt Holcomb, Jr., executive vice-president; Raymond A. Norden, president of Seaboard; William W. Cocks, manager of insurance for Seaboard, and W. P. Neth, director of traffic.



### N.Y. Auto Score Worsens

Automobile bodily injury accidents in New York state in October totalled

8,860, up 15%; property damage accidents 15,089, up 16%; deaths 201, up 12%; cost of property damage \$5,748,000, up 31%, according to the Bureau of

Motor Vehicles. Of bodily injury accidents, 63% occurred in non-daylight time.

Drivers in the 18-20 age group were involved in 60% more fatal accidents in October, 1950 than in October, 1949, those in the age group 25-29 89% more and drivers 65 and over 91% more.

Passenger vehicles, which account for 81% of the registrations, accounted for 71% of fatal accidents, 79% of non-fatal and 81% of property damage; commercial, making up 15% of the total, accounted for 20% fatal, 11% non-fatal and 14% P.D.; taxi, .6% of total, 2% of fatal, 6% of non-fatal and 3% of P.D., and bus, .4% of total, 2% of fatal, 3% of non-fatal and 1% of P.D.

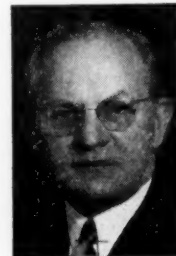
### Mutual Increases P.D. Limits

Farmers Mutual Auto, Madison, Wis., has announced an automatic increase in auto property damage insurance from \$5,000 to \$10,000 without increase in cost, while comprehensive and collision insurance will be sold at a reduced cost, the exact amount not being given.

Daniel E. Whelton of the fidelity and surety division of Travelers addressed Wethersfield (Conn.) Rotary Club on the social and psychological characteristics of the average embezzler.

### Kurt Hitke & Co. Marks Its 25th Anniversary

Kurt Hitke & Co., general agency specializing in writing hard-to-place risks, is celebrating this year the 25th anniversary of its founding. The firm was started in Chicago by Mr. Hitke, a former broker, and has grown from an office employing one secretary to a business with branches in Los Angeles and Springfield, Ill., as well as Chicago, and a staff of 65 employees.



Kurt Hitke

Mr. Hitke has always aimed to provide domestic markets for risks that other companies would not or could not accept on the theory that any risk can be written if a proper rate is asked for it. The agency has established itself by providing liability cover for unusual vehicular risks and has provided an outlet in Illinois for difficult dram shop liability risks which it writes on a schedule basis. The Hitke office is exclusive general agent on unusual risks of all sorts in 27 states for Citizens Casualty, National Indemnity, Beneficial Fire & Casualty, Republic Indemnity, Reserve and Exchange Insurance Assn.

### Elevator Liability Rates Are Revised Nationwide

National Bureau of Casualty Underwriters announces a countrywide revision of elevator liability rates effective Jan. 8. These changes will become effective Feb. 23 in Texas and Feb. 1 in Hawaii.

For bodily injury liability the rate changes vary by classification and territory, resulting in an average countrywide increase of 16.8%. For property damage liability and collision, rates were uniformly reduced 25% for all classes except automobile garage elevators for which the rates have not been changed.

The increase in bodily injury rates is primarily due to increased inspection costs.

### Kane Formulating Pension Policy to Guide Military

WASHINGTON — Director Kane of the Department of Defense insurance advisory board is taking charge of formulation of a policy with respect to group insurance and pension plans, costs of which are paid by cost-plus-fixed-fee defense contractors and then passed on to the government. He is developing a framework to guide the military services in connection with such matters in negotiating with contractors.

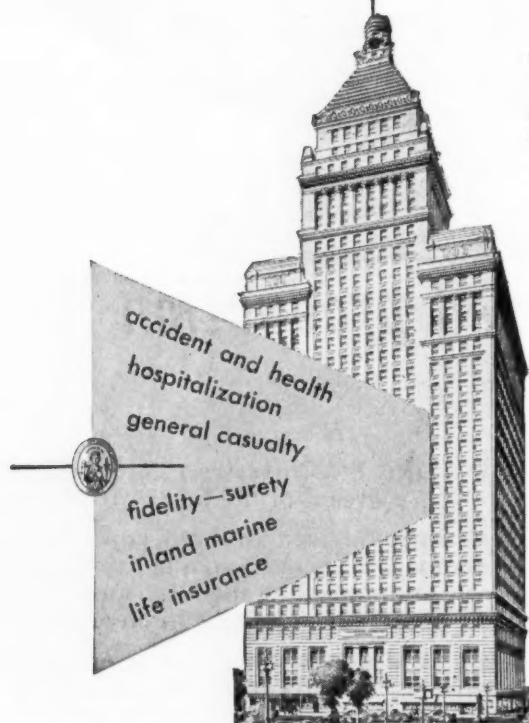
There was a tendency during the war for military contractors to agree to any sort of pension plan, group insurance, welfare fund, or other benefits for their employees, on the theory that government would bear the cost. Officials hope this free and easy policy may be avoided or minimized in the present emergency.

The board has not as yet made an announcement on a joint rating plan. It will meet again Jan. 31.

Edwin Linthicum, Jr., manager of the life, accident and group claim department of Travelers, has been appointed chairman of the program committee to formulate plans for the annual meeting of International Claim Assn., to be held Sept. 10-12 at Spring Lake, N. J.

Sterling T. Tooker, personnel director of Travelers, will address teachers and administrators of the Hartford school system Jan. 16 as part of a program for better school-community relations.

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## ACCIDENT AND HEALTH

### Jay De Young to Open Own Agency at Chicago

Jay De Young, for 11 years manager of the A.&H. department in the Chicago branch office of Continental Casualty, has resigned that post effective Jan. 15 to open his own general agency under the style of Jay De Young & Associates at 330 South Wells street, Chicago. The new agency will devote its activities entirely to the production of all forms of A.&H., including special risks, aviation and other specialized lines, and life insurance. He will have associated with him his two sons, John E. and Norman, who are now operating a very successful casualty agency under the name of De Young Brothers. Jay De Young will head both organizations.

Mr. De Young has been active in the A.&H. business for 25 years, all of that time with Continental Casualty. Before that he was in the investment banking field. He has a very strong following among brokers in the Chicago area and will continue to emphasize brokerage business in his new connection. In his 11 years as manager he has built the A.&H. premiums of his office from \$48,000 to nearly \$1½ million.

He has long been active in accident and health organization work. He has served as president of Chicago A.&H. Assn. and is now on its executive committee. He is a member of the executive board of the International association and is general coordinator of its membership activities. He is well known throughout the business because of those activities and the many addresses he has given on A.&H. topics before local associations and other groups.

### Seek Non-Occupational Disability Cover in Mich.

LANSING, MICH.—A move has been launched in the Michigan legislature looking toward eventual enactment of legislation requiring non-occupational disability insurance. A special committee has been appointed to study the need for the coverage and report to the legislature. It is expected a bill along the lines of the New York law will be introduced.

### Continental Names Four in A. & H. Agency Changes

Continental Casualty has made several changes in its A. & H. agency staff at Detroit, Kansas City and Chicago.

Allen Correll, manager of the Michigan service office has been named manager at Detroit and George R. Mitchell, who has been commercial supervisor at Detroit, has been appointed manager of the Michigan service office.

Robert W. Maul, who has been A. & H. manager at Kansas City, has been transferred to Chicago and appointed manager of the Chicago branch office succeeding Jay DeYoung, who has resigned to enter the general agency business. Willis H. Ashley becomes acting A. & H. manager at Kansas City.

Drake Sutter, manager of the Detroit A. & H. office, will join the staff of John F. Leibig, assistant vice-president, as supervisor of operations for A. & H. branch offices.

### Seek New Tenn. License Law

NASHVILLE—The Tennessee department will this week introduce a bill in the legislature governing the licensing of life and H. & A. agents. All ap-

plicants for license would be required to pass an examination given by the department and companies would be forbidden to pay commission to agents not properly licensed. Those failing to pass the test would be permitted another test after six months. Temporary (six months) license would be issued to agents involved in settlements of estates and to those on strictly industrial debits who want to begin work

### Ohio C. of C. Against UCD

In connection with legislation to be taken up at the present session of the Ohio legislature, Ohio Chamber of Commerce has expressed the conviction that compulsory non-occupational disability insurance is unnecessary because private plans are on the increase for this type of worker protection. The chamber believes it "unreasonable to impose

a tax solely upon employers for wage payments during an illness that has no relation to occupation."

The Ohio CIO favors temporary disability insurance.

### Three New Pacific Mutual Policies

Pacific Mutual Life has brought out three new policies, the "security accident policy," covering monthly indemnity, principal sum and accident medical expense; the "master accident and sickness policy" monthly indemnity, principal sum and medical expense, and

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the "life and limb policy," providing principal sum and dismemberment indemnity.

The new forms are set up in streamlined format, using a schedule type of presentation with all benefits clearly indicated on the first page and use of riders minimized. Monthly indemnity will be written up to \$500 with a supplement doubling this amount to \$1,000 per month in case of auto or pedestrian

accidents. Principal sum will be written up to \$25,000 with a supplement doubling this amount to \$50,000 in case of travel accidents.

#### Yaudes to Wis. Fraternal

Sydney S. Yaudes, educational director of Time, has joined Catholic Knights of Wisconsin as director of the new A. & H. and hospital insurance department.

Mr. Yaudes has been with Time since 1938, starting as a claim adjuster, and later becoming agency manager, collection manager, and personnel manager. He has been educational director for 3½ years.

#### Elect Knight at Cleveland

William A. Knight, Federal Life & Casualty, has been elected president of the Cleveland Assn. of A. & H. Underwriters, and B. L. Bussfield, Retail Credit Co., is the new secretary-treasurer.

Speaker was Gilbert H. Knight, father of the president and manager at Cleveland for Federal Life & Casualty.

#### World Managerial Shifts

T. R. Ziegler, manager of the southern California agency at Los Angeles for World, has retired and is being succeeded by A. V. Jamison, manager of the Florida agency. J. I. Weiss, sales manager of the Ohio agency, becomes the new Florida manager.

#### Organize at Nashville

Nashville Assn. of A. & H. Underwriters has been organized with Todd Baker, Provident Life & Accident as president; William H. Elliss, John Hancock Mutual Life, vice-president, and Porter Smith, Jr., American Service Bureau, secretary-treasurer.

#### Two Join A. & H. Bureau

Equitable Society and Glens Falls have joined the Bureau of A. & H. Underwriters, bringing the membership to 65 companies.

Combined American of Dallas has been licensed in Idaho.

## CHANGES

#### Doss Named Executive V.-P. of Farm Bureau

Bowman Doss has been named to the newly-created position of executive vice-president of Farm Bureau companies of Ohio. He formerly was agency vice-president, heading the sales force.

Mr. Doss joined the companies in 1932 in Monroe county, W. Va., became district manager in 1933, and later served as state agent in Ohio, North Carolina and New York, and as superintendent of agencies. He was assistant secretary prior to his appointment as agency vice-president in 1946.

#### Webber Succeeds Geiger

Gene A. Webber has been appointed manager of the payroll auditing department of Maryland Casualty, succeeding William Geiger, who has retired after more than 43 years with the company.

Mr. Webber started with Maryland in 1936 as a payroll auditor at Houston. In 1949 he was appointed field supervisor at the home office.

#### Green Made Gen'l Manager

William H. Green has been promoted to general manager of Standard Casualty of Sioux Falls to succeed R. G. Williams.

Mr. Green was graduated from University of South Dakota and served in the navy 1942-45. He was with Aetna Casualty as a field man out of Minneapolis until 1948, when he became agency manager of Standard Casualty.

#### Tex. Insurer in Wash., Ore.

C. E. DeMille general agency of Seattle has been appointed general agent in Washington and Oregon for Employers Casualty of Dallas, which has just entered those states.

#### Pond to Cal-Farm

Waldo Pond, claims superintendent for Iowa Farm Mutual, has resigned to

go with Cal-Farm Ins. Co. of Berkeley, Cal. Mr. Pond joined Farm Bureau in 1941 as an adjuster for northwestern Iowa and was appointed claims superintendent in 1945.

#### G. H. McKelvey Retires

George H. McKelvey, who has been in insurance work for past 40 years, the last 18 years as manager and resident vice-president at Newark of American Casualty, has retired.

Maryland Casualty has moved its Boston branch to new and larger offices at 20 Congress street, in the building occupied for 35 years by the Boston Stock Exchange. It will have more than 12,000 square feet on the second and third floors.

## COMPANIES

#### Peerless Casualty Raises Capital, Has Stock Melor

Directors of Peerless Casualty have added \$150,000 to capital and \$195,000 to surplus through a 5% stock dividend from earnings and a subscription to 19,500 shares at \$15 (par \$5) at the rate of one share for each 11 held. The market for the stock at the time of offering was approximately \$17.

Capital of Peerless is now \$1,400,000, the stock dividend amounting to \$52,500 and the offering to \$97,500. The \$195,000 carried to surplus resulted from the absence of selling expense.

The company also paid its usual quarterly dividend of 20 cents.

#### Wolverine Keeps Old Name

Wolverine, which recently moved from Lansing to Battle Creek, Mich., will continue under that name. Directors had approved a change to Wolverine National but it was learned that a federal law now prohibits inclusion of the word "National" in trade names.

#### Enter Auto 3rd Party Field

American Title & Insurance and Equity General of Miami are now entering the automobile third party

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Burglary  
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Collapse of Building  
Contractors Equipment  
Doctors Disability  
Errors and Omissions  
False Arrest  
Fidelity Bonds  
Film Producers Indemnity  
Fire and Extended Coverage  
(Excess or Surplus)  
Fire Legal Liability  
Fire, Theft and Collision  
Furriers Stock  
Hail Insurance  
Hand Disablement  
Illinois Liquor Liability

Inland Marine  
Malpractice Liability  
Mortality—Livestock, Zoo Animals  
Motor Truck Cargo  
Non-Appearance  
Ocean Marine  
Oil Drilling Equipment  
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Products Liability  
Professional Entertainers  
Public Liability and Property  
Damage  
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Reinsurance—Facultative, Treaty  
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field. These companies heretofore have been exclusively property insurers. The casualty operations will be under the direction of Vice-president Freeland Cameron. Equity General, which was launched a few months ago, is owned 32% by American Title and 48% by Swiss Insurance companies.

### Highway Mutual Casualty Converted to Stock Basis

Highway Mutual Casualty of Chicago has been converted into a stock company with capital of \$300,000 and surplus of \$200,000. The company received its license as a stock company on Dec. 19, 1950, and began its stock operations on Jan. 1. On Dec. 29, Highway Mutual Casualty was merged into Highway Casualty by a vote of the mutual policyholders. The assets of the new company approximate \$2 1/4 million.

Officers of Highway Casualty remain the same as those of its predecessor company. They are Charles Burmann, Jr., president; Clyde L. Korman, executive vice-president; and Harry V. Gralnek, secretary-treasurer.

The new company writes all forms of liability including automobile and plate glass, workmen's compensation and dram shop liability. The company is licensed in Illinois, Indiana, Kentucky, Michigan, Missouri and Arkansas. Highway Mutual Casualty was organized in 1937, specializing in workmen's compensation and general liability.

### Bituminous Gives 8% Pay Boost

Bituminous Casualty has increased salaries of all employees by 8%.

Ideal Mutual of New York, Zenith National of Los Angeles, and Exchange Insurance Assn. of Chicago have been licensed in California.

Government Employees has been licensed to write all automobile forms in Connecticut.

## COMPENSATION

### Unregulated "Stop Loss" Contracts Outlawed in N. H.

Commissioner Knowlton of New Hampshire has declared illegal workmen's compensation and employer's liability indemnification contracts furnishing aggregate excess coverage as presently issued in that state, holding that they are not reinsurance contracts and therefore are not exempt from the provisions of the rating laws pertaining to such coverage.

These "stop loss" contracts have been unregulated for some time in many states on the ground that they are reinsurance of self-insurers, and thus exempt from rate regulatory laws.

### W.C. Supplements Published

Supplements to the last editions of the workmen's compensation law pamphlets for Rhode Island and Washington to include recent amendments have been published by Assn. of Casualty & Surety Companies.

### Pa. Coal Mine Rates Cut

HARRISBURG, PA.—Commissioner Leslie has approved a revision in workmen's compensation rates affecting coal mining, retroactive to Jan. 1.

The new schedule reflects an overall reduction of 1.9% for anthracite mining, 10.8% for bituminous mining, 4.2% for surface mining, 6.7% for culm recovery and 11.1% for coke burning.

The anthracite mining occupational disease rate will be increased about 10.8%. No change in rate for bituminous mining O.D. is indicated.

### Would Cut 'Comp' Litigation

ST. PAUL — A way to reduce litigation in compensation insurance in Minnesota is suggested in a biennial report of the Minnesota department of

labor. The commission says a requirement for a specific statement of facts, instead of generalities, in cases where employers or their insurers deny liability would reduce the amount of litigation and result in more prompt adjustment of differences. It believes also that settlements would be expedited if fees were charged employers for certain procedural steps.

### Would Up Mich. W. C. Benefits

LANSING, MICH. — In his message to the legislature, Gov. Williams advocates still higher workmen's compensation benefits, despite an upward adjustment two years ago which brought the primary benefits from \$21 to \$24 weekly, with added payments of \$2 a week for dependents up to maximum of five.

The governor notes that continued living cost increases have made the present scale of payments inadequate. He also advocates inclusion of medical care at the expense of employers so long as injured or disabled employees require such care and favors full payments to silicosis victims.

### Brokers Chiefs Entertained

Casualty Managers Assn. of New York was host to the heads of brokers organizations and members of the in-

surance press at the annual luncheon. W. A. Edgar, vice-president U. S. F. & G. and president of the association, was toastmaster. Max Rakosky, president Independent Insurance Brokers Assn., in referring to the loss of some business to direct writers stated that a larger percentage of business would be retained if companies in their advertising would appeal to consumers to deal with their personal brokers.

### So. Cal. Auditors Elect

Southern California chapter of California Insurance Auditors Assn. has elected these officers: President, John E. Kerman, Liberty Mutual; 1st vice-president, Hale H. Hendlin, Independent Auditor Service; 2nd vice-president, Everett C. King, Pacific Automobile; treasurer, V. H. Parry, Industrial Indemnity; secretary, A. C. Lewis, independent.

### Milwaukee Claim Men Elect

H. E. Steffen, Employers Liability, has been elected president of Milwaukee Casualty Insurance Claims Managers Council, succeeding Austin Lutter, General Accident. Carl A. Beckstedt, Liberty Mutual, is vice-president, and Howard S. Keeling, New Amsterdam Casualty, is secretary.

### Cleveland Managers Elect

Cleveland Assn. of Casualty & Surety Managers has elected as president C. L. Templeman, Royal Indemnity; vice-presidents, C. Lloyd Bowers, Massachusetts Bonding, and Fred W. Selsor, Fidelity & Casualty; secretary, Gerald S. Fitzgerald, Commercial Casualty.

### Seattle Surety Men to Meet

Surety Underwriters Assn. of Seattle at its annual meeting Jan. 12 will install Guertin Carroll, American Bonding, as president. He succeeds John C. Cotton, Great American Indemnity.

Other officers to be installed are M. P. Tompkins, Fireman's Fund, vice-president, and Gerald L. Perry, Hartford Accident, who was reelected secretary.

### Give Surety Course at L. A.

LOS ANGELES — Surety Underwriters Assn. of Southern California at its January meeting heard a report from its public relations and educational committee on the progress being made in the course in fidelity and surety bonds sponsored by the association, which starts Feb. 13. The association sponsored a similar course in 1950, with excellent results.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Leo Rutz Named President Of Twin Cities Assn.

Leo Rutz has been elected president of Twin Cities (Benton Harbor and St. Joseph) Assn. of Insurance Agents. Henry E. Griffendorf is vice-president; Mrs. Laura Suthard secretary, and Charles Forburger, treasurer. The board plans to conduct an educational conference shortly with assistance of Michigan State College.

### Plan Educational Clinics

Ohio Assn. of Mutual Insurance Agents will stage its first series of sales and educational clinics March 7 at Hamilton and Findlay, and March 8 at Granville and Akron, in cooperation with Ohio 1732 Club.

E. H. Adolph, state agent Pawtucket Mutual, will be moderator at Hamilton and Granville and J. C. Barber, special agent Northwestern Mutual Fire, at the other two spots. Subjects to be discussed will include legislative problems, advertising, the broadened E. C. endorsement which is expected to be in force by then, war damage insurance, crime coverages, comprehensive forms, hard to place risks, future of the agency system, taxation problems and farm insurance. The last subject will be discussed for the first time by the group.

### Ohio Associations Elect

John F. Smith of the Knapp & Smith agency, Marion, O., has succeeded Ralph Simpson as president of Marion County Assn. of Insurance Agents. William Selander is vice-president; Ralph Williamson, reelected secretary.

David Thierwechter of Oak Harbor has been chosen president of the Ottawa County association. Howard Fulton, Port Clinton, is vice-president; Albert David, Port Clinton, secretary.

### John W. Twitty Retires

John W. Twitty, vice-president of Gregory & Appel of Indianapolis, is retiring and going to live in the San Fernando Valley of California. He was honored at a dinner given by associates and friends, with A. R. C. Kipp, prominent Indianapolis attorney as master of ceremonies. Herbert A. Payne, vice-president of Home, which Gregory & Appel has represented for many years, and Fred Appel, chairman of the agency, spoke on Mr. Twitty's career of more than 35 years in the business.

### Cass Joins Local Agency

David F. Cass, field representative for Hartford Accident in Indiana, has joined the H. H. Woodsmall agency at Indianapolis as vice-president and assistant general manager.

Mr. Cass started with Fred S. James & Co. at Chicago, later going with American Surety at Chicago and Milwaukee. In 1937 he went with Fidelity & Casualty as Indiana field representative and later took a similar position with Aetna Casualty.

### Would Cancel Surety Bonds

LANSING, MICH.—Michigan's "little Hoover commission," comprised of legislature members, is expected to endorse a special study made by an independent fiscal consultant who recommends abolition of the present state fire fund, though a continuance of it in principle, and elimination of surety bonds on state employees and gasoline tax dealers.

The report points out that the state can very well absorb a fire loss without any great effect on its financial condi-

tion and by abolishing the fund the expenses involved in administering it, such as the cost of filing schedules by each department, determining premium rates, handling investments, etc., could be saved.

The state pays about \$61,000 in surety bond premiums each year and during the past eight years has had losses of only \$2,000 annually. It pays about \$32,500 annually for bonds insuring that gasoline tax dealers will pay the state.

### To Repeat Neb. Institute

Due largely to the success of the first insurance institute conducted last November, Insurance Federation of Nebraska and the University of Nebraska college of business administration have commenced plans for a second institute, to be held at Lincoln in the fall of 1951.

H. S. Wilson, president of Bankers Life of Nebraska, has been appointed chairman of the institute by E. J. Faulkner, federation president, who is also president of the Woodmen companies.

The 1950 institute was attended by 350 agents and students of insurance.

### New Kan. Chairmen Named

Cheney Prouty, Kansas City, president of Kansas Assn. of Insurance Agents, has announced additional committee appointments. Carl Guilkey, Independence, is chairman of the grievance committee and Laurin W. Jones, Dodge City, past president, heads the legislative committee.

The executive committee is meeting at Topeka Jan. 16-17. Legislative matters will head the agenda.

## COAST

### T. A. Harman Is New Chief of King County Agents

Thomas A. Harman, P. J. Perry & Co., Seattle, was elected president of King County Insurance Assn. at the annual meeting at Seattle, succeeding Elwell C. Case, McGraw, Kittinger & Case. William C. Greer, Greer & Edmiston, is the new vice-president. LeRoy Hunter was named secretary.

An amendment to the bylaws was adopted establishing a permanent committee on public business to coordinate the association's program of servicing public lines. Roger Freeman, special assistant to the governor, discussed the financial problems confronting the state during the 1951 legislature. Commissioner Sullivan and his staff were guests at the banquet.

### Gets Pa. Lumbermen's

Insurers General Agencies, San Francisco, has been named general agent for Pennsylvania Lumbermen's Mutual. It now represents St. Louis Fire & Marine and Union Mutual Fire.

C. R. Higuera has joined the staff as underwriting manager. He has been with the Kemper group.

### Seek S. F. Bond Issue

A study is being made by the San Francisco fire commission and Chief Walsh of a \$3 million fire department bond issue, the fund to be used to replace about 15 old fire houses that have been in service since before the earthquake and fire of 1906.

The adoption of such a bond issue would help Mayor Elmer Robinson in his long fight to have insurance rates of the city reduced. Three months ago the

city requested National Board to make a survey. However, Rudolph C. Stange, general manager of the board at San Francisco, said that although a complete survey of the city is impossible at the present time, his office would take a "brief exploratory" look at the city's fire fighting equipment.

### New York General Agencies Cal. Licenses Restricted

LOS ANGELES—One of the last official acts of Commissioner Downey before he resigned was his decision in the New York General Agencies case, in which he revoked all its agency licenses and in their place ordered restricted licenses with five conditions attached.

These conditions concerned accounting, handling of business, record keeping, trustee accounts. Elimination of Jack S. Heidelberg from official connection with the corporation save for his proprietary interest, as was recommended by the hearing officer, was not approved by Mr. Downey.

The initiatory action that led to the seizure of Rhode Island Ins. Co. by Mr. Downey was taken in connection with the investigation of the New York General Agencies. During all the legal sparring in the Rhode Island case the New York General Agencies' relations with the company was a part of the proceedings aside from its individual hearing, concluded by the above decision.

### Install Officers Jan. 17

New officers of Insurance Brokers Exchange of California, headed by Hal D. Willison as president, will be installed at a luncheon at San Francisco Jan. 17. Walter P. Simi, outgoing president, will introduce the new officers.

Bert Stewart, Jr., field secretary of National Automobile Club, will speak on "Is Your 'Slip' Showing?" dealing with public relations as practiced by the individual.

A special two-hour class on the use of the new California standard form fire insurance policy and its endorsements will be given by the Brokers Exchange at San Francisco Jan. 11. John H. Martin, manager of Standard Forms Bureau, will be the instructor.

### Consolidate L.A. Activities

William M. Houston, United States manager for New Zealand and South British at San Francisco, announces that the fire, automobile, inland and ocean marine departments of the Los Angeles office have been consolidated under the direction of Raymond S. Swanson, southern California manager.

### Pratt Asst. Regional Manager

Royal-Liverpool has appointed F. Howard Pratt assistant regional manager with headquarters at Oakland, Cal.

Mr. Pratt will assist E. B. Marston in directing the activities of the group in the East Bay, north coast, peninsula and south coast territories, all of which are under the jurisdiction of the Oakland office. He has been with the group for 10 years.

### Udell Gets Twin City

Twin City Fire of the Hartford group has named the B. L. Udell general agency of Phoenix, Ariz., as general agent for that state. It will represent Twin City for fire and allied lines, automobile material damage and inland marine.

D. R. Schrade, who has been vice-president of Underwriters Report in charge of its Los Angeles office, has resigned.

## SOUTH

### Rash of Richmond Fires Estimated at \$1,326,000

RICHMOND, VA.—A rash of fires in this city during the past six weeks has caused damage estimated at beyond \$1,326,000. The fires and estimated losses are Monument Methodist Church, \$500,000; St. Catherine's gymnasium, \$130,000; Richmond Fixture & Equipment Co., \$276,000; Byrd airport, \$190,000; selective service warehouse, \$75,000; Grant drug store, \$100,000, and University of Richmond's students' shop and postoffice, \$55,000.

### W. F. Booker Agency Partner

William F. Booker, Jr., who has been with the Booker & Kinnaird agency of Louisville since 1939, has been made a partner. The agency was formed in 1897 by Mr. Booker's father, William F. Booker, Sr., who is still an active member of the firm, and the late Austin Kinnaird. Other partners in the agency are Walter R. Calvert, James B. Connelly, Miss Willie P. Taylor.

### Brink Joins Murchison

Wesley R. Brink, superintendent of claims in the home office of Midwestern of Oklahoma City, has joined the Kenneth Murchison & Co. agency of Dallas in an executive capacity. Before joining Midwestern in 1948, he had been with Travelers, General Adjustment Bureau, Barney Vanston & Co. general agency and National Automobile & Casualty.

### Atlantic Office at Richmond

The Atlantic companies have opened a new office at Richmond with Earl C. Thompson as manager, to service Virginia, North Carolina and South Carolina.

Mr. Thompson joined the companies in 1946, having been with a large agency at St. Louis. Since then he has served as special agent in Connecticut and suburban New York and more recently as assistant to the agency secretary at the home office.

### Sertel-Reducka to Build

The Sertel-Reducka agency of Miami is preparing to start construction of a building of its own at the corner of S.W. 10th street, and South Miami avenue at Miami. This will be an "L" shaped, two-story building with patio and garden and ample parking facilities.

This is becoming a new insurance section, other offices in the neighborhood being Hunter Lyon general agency and the Green Wooten and Reynolds-Myers agencies. It is about one-half mile below the main business district. L. L. Sertel and T. D. Reducka have operated their own agency since 1932 and previously they were associated in another agency. Mr. Sertel has been a Miami insurance man since 1924 and Mr. Reducka since 1925.

### Drafts New Agency Law

A rough draft of an agency act is being submitted by Commissioner Dickey of Oklahoma to associations and companies asking their reaction and suggestions.

Mr. Dickey cites the draft as a preliminary gesture that does not constitute an exhaustive statutory treatment of all agency problems. The purpose of the act, which it is hoped will be submitted to the legislature, is to eliminate inadequacies and ambiguities in the law and to eliminate some of the administrative problems. Generally, the provisions in the draft are not new but are a restatement of present agency laws.



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# ISLAND HOME

*of Michigan's  
Great Woman Pioneer*



"YOU have killed my husband!" The anguished cry broke the stillness of the Pottawattomie village on Lake Michigan where Madeline and Joseph Laframboise were spending the night. Enraged at the fur trader's refusal to give him liquor, Nequat, a young brave, had stolen into their tent and slain the devout Joseph as he knelt in prayer.

The Pottawattomies who were outraged by the wanton murder of their trusted friend eventually captured Nequat and brought him to Madame Laframboise for judgment. Though she was the granddaughter of Returning Cloud, famous Ottawa chieftain, she followed the Christian faith of her French father and even when confronted by the slayer of her beloved husband, she heeded the Biblical admonition to forgive one's enemies. "Set him free," she told Nequat's captors. The Indians reluctantly obeyed but later Nequat was found in the forest with a knife through his heart. Madeline had traveled with her fur



trader husband ever since she married him in 1796 at the age of seventeen. Through the wilds of early Michigan and over the waters of Lake Huron to the great fur depot on Mackinac Island, for many years the couple carried on their business together. Because of Joseph's acumen and his wife's tact and understanding of the Indians they were outstandingly successful. After her husband's death, despite her

overwhelming grief Madeline continued the work alone. A woman of great charm and enterprise, she became one of the Northwest's greatest fur traders.

As the years went by, Madeline's daughter Josette returned from school in Montreal and like her mother captivated all by her loveliness. In 1817 Josette was married to the commandant of Fort Mackinac, Captain Benjamin Pierce, brother of Franklin Pierce who became President. At the wedding, Madame Laframboise, wearing Indian attire, was a striking figure.

The young couple made their home on Mackinac Island and here Captain Pierce built a house for his mother-in-law. Josette's untimely death after four years of married life, followed by that of her little son, impelled Madame Laframboise to give up her work as a fur trader. Settling down in her home on Mackinac, she spent her time helping the less fortunate and, in particular, befriending the Indians, who called her "Little Mother." She had always spoken French like a Parisian and in middle age she taught herself to read and write the language fluently.

Beneath the altar of St. Anne's Church, which stands on the property she bequeathed, Madeline Laframboise and Josette are buried. Her island home is now privately owned. Surrounded by ancient lilac trees planted by missionaries who brought the seedlings from France, it is carefully preserved as a survival of Michigan's early days.

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